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**NAVAL  
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**MONTEREY, CALIFORNIA**

**THESIS**

**SERBIA AND MONTENEGRO: TOGETHER FOREVER OR  
ONE-NIGHT STAND?**

by

Michael S. Tarquinto, Sr.

June 2005

Thesis Co-Advisors:                   John Leslie  
   Stephen Garrett

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**SERBIA AND MONTENEGRO: TOGETHER FOREVER OR ONE-NIGHT STAND?**

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Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS**

from the

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## ABSTRACT

Throughout the 1990's the republics of the Former Yugoslavia fought a civil war resulting in the worst atrocities seen on European soil since World War II. The international community stood idly by while combatants in Slovenia and, especially, Croatia used techniques such as concentration camps, torture, rape, and murder to attain their goals of "ethnically pure" societies. Despite intervening in the conflicts in Bosnia and Herzegovina from 1992-1995 and in Kosovo from 1998-1999, thousands suffered on an even greater scale than before.

When the republic of Montenegro, still under the oppressive rule of Yugoslav President Slobodan Milošević, began making moves towards independence, again the international community decided that inaction was not an option. With significant arbitration led by the European Union, Serbia and Montenegro peacefully agreed to forming a loose union and delaying any efforts to create independent states. It is critical to understand why intervention worked in this case and not in the previous attempts with Bosnia and Herzegovina and Kosovo. Believing that international actors can affect state behavior without considering other factors can result in faulty policy decisions and not achieve the desired outcomes.

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## I. INTRODUCTION

### A. PURPOSE AND IMPORTANCE

With the collapse of communism in the early 1990's the world was braced for peace. One by one the former republics of the Soviet Union and its satellite states in Eastern Europe felt as if a great burden had been lifted. Yet as these nations were beginning to enjoy their newly found freedom, Yugoslavia was spiraling into chaos. In the end, the world was witness to a civil war resulting in the worst atrocities seen on European soil since World War II. The international community stood idly by while combatants in Slovenia and, especially, Croatia used techniques such as concentration camps, torture, rape, and murder to attain their goals of "ethnically pure" societies. The conflicts in Bosnia and Herzegovina from 1992-1995 and in Kosovo from 1998-1999 differed from their predecessors as the world community attempted to stave off bloodshed by intervening. Despite this, thousands still suffered on an even greater scale than before. When the republic of Montenegro, still under the oppressive rule of Yugoslav President Slobodan Milošević, began making moves towards independence, again the international community decided to intercede. With heavy international arbitration, Serbia and Montenegro peacefully agreed to forming a loose union and delaying any efforts to create independent states. The purpose of this thesis is to understand if external actors were the proximate cause behind Montenegro's decision to abandon its drive for independence. It is critical to understand why intervention worked in this case and not in the previous attempts with Bosnia and Herzegovina and Kosovo. Believing

that international actors can affect state behavior without considering other factors can result in faulty policy decisions and not achieve the desired outcomes.

#### **B. MAJOR QUESTIONS AND ARGUMENT**

The central question of my thesis is "Is the Union of Serbia and Montenegro a case of successful international intervention?" The international community, in particular the European Union, is quick to congratulate itself for averting another bloody Balkan conflict in Montenegro. I argue that it was not simply a matter of diligence on their part, but that there are certain other factors that affected their ability to succeed. Another important question is what was the role of nationalism on Montenegro's decision to remain unified with Serbia? Would the international community have been able to hold the union together if nationalists desired otherwise? Finally, I examine the role of material interests of Montenegro's political leaders, business leaders, and lobby groups. If the interests of these entities favored independence, could they have achieved their goal regardless of what the international community preferred? Answering these questions is critical to understanding whether it was the involvement of external actors resulting in the successful union of Serbia and Montenegro or if nationalism and material interests had a role in the process as well.

#### **C. METHODOLOGY AND SOURCES**

I begin by analyzing the presence and effect of nationalism in Montenegro. I separate the general concept of nationalism into its constituent elements and examine them individually to create an overall picture of the state of nationalism in Montenegro. In doing so I am able to determine if the conditions were ripe for nationalists to

mobilize people to declare independence for this reason. Next, I examine the impact of domestic material interests on the decision to remain united. I determine who the relevant interest groups are and how much clout they wield in the politics of Serbia and Montenegro. Lastly, I examine the role of the international community in the Balkans from 1990-1999. In looking at the influence of external actors I will focus on two areas: who was involved and what balance of "sticks and carrots" did they use with Serbia and Montenegro.

My primary sources include United States Congressional records, European Union decisions, United Nations resolutions, and speeches of major actors. With regard to secondary sources, I relied on a variety of contemporary books on the Balkans, nongovernmental organization reports, internet articles, especially from the Foreign Broadcast Information Service, as well as magazine and newspaper articles from the Former Yugoslavia.

#### **D. BACKGROUND AND SUMMARY**

On 29 November 1945, a newly elected constituent assembly announced the creation of the Federal People's Republic of Yugoslavia. As a country of six republics, five nationalities, four languages, three religions, and two alphabets, Yugoslavia was supposed to represent the ability of disparate groups to work and live together in harmony. Under the leadership of the charismatic Josip Broz Tito, Yugoslavia weathered many storms in relative peace. Yet just a decade after his death, the cracks began to appear in the foundation of "brotherhood and unity" with chaos ensuing.

From 1991-1995 the country of Yugoslavia experienced a devastating civil war. By the end of the war over 200,000 people were killed, 2,000,000 civilians fled as refugees, and Europe experienced horrors such as concentration camps and mass executions on a scale not seen since 1945.<sup>1</sup> The outcome of the conflict changed the face of the Balkans: Slovenia, Croatia, Bosnia, and Macedonia attained their goal of becoming independent states. What was left of Yugoslavia consisted of only the largest of the former republics, Serbia, and the smallest and poorest, Montenegro. The situation played itself out once more in 1999 as the Yugoslav Army cracked down on the autonomous province of Kosovo. Again, images of villages aflame and thousands of refugees filling the roads appeared in the news. Only a fast response by NATO prevented a widening and worse conflict. Unable to further brutalize Kosovo, Miloševic turned his attention towards Montenegro and rumors of a fifth Balkan war began to circulate.

Miloševic's primary opponent in Montenegro was the young leader from the Democratic Party of Socialists Milo Djukanovic. Following bitterly contested elections in November 1997 where he defeated Miloševic's close ally Momir Bulatovic, Djukanovic was inaugurated president of Montenegro in January 1998. During the campaign, Djukanovic portrayed himself as "the champion of the republic in its struggle against Serbian domination and its effort to be integrated into Europe."<sup>2</sup> In 2000, in an

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<sup>1</sup> "The History Place: Genocide in the 20th Century," 1999; available from <http://www.historyplace.com/worldhistory/genocide/bosnia.htm>; Internet; accessed 15 March 2004.

<sup>2</sup> Report of the Commission on Security and Cooperation in Europe, "Presidential Elections in Montenegro," (Washington, D.C.: Government Printing Office, 1998), 7.

effort to remain in power, Miloševic changed federal election regulations and voting procedures. These changes permitted him to run for another term of office and enabled the president to be elected by a popular vote rather than by parliament. Since Serbs greatly outnumber Montenegrins, a vote conducted in this manner was equivalent to certain victory for Miloševic at the ballot box. This led to an increase in tension between the two republics, almost pushing Montenegro to hold an independence referendum. With the removal of Miloševic by a public uprising in October 2000, the international community pressured Djukanovic to temper his pro-independence stance with cooperation with the fledgling Serb democracy.

However, in the years following Miloševic's ouster, some Montenegrins became increasingly disenchanted with their link to Serbia. Those favoring better relations with Europe and the world as whole saw Serbia as a barrier to reaching this objective. Many believed the economies of Serbia and Montenegro were too dissimilar to make anything other than independence feasible. Yet when it came time to dissolve Yugoslavia, the international community was present to ensure the two republics continued to remain connected, if only loosely.

The first chapter of this thesis discusses the similarities and differences of Serbs and Montenegrins with respect to nationalism. While there are enough differences between the two for a nationalist to make a case for a purely Montenegrin state, this did not happen. The second chapter focuses on whether material interests of various actors would have been better served by an independent Montenegro or a continued union with Serbia. The agreement

brokered between the two republics ensured that those interests were not affected. The final chapter elaborates on the so-called "conventional wisdom" where the international community intervened to hold the two republics together. Based on my research, the European Union was the primary actor in accomplishing this. However, Montenegro ensured that it preserved the ability for its citizens to determine their future by way of referendum in accordance with an agreed upon timeline. The ultimate lesson learned is that the international community must be careful not to overestimate its ability to influence states especially where virulent nationalism may be present or where material interests are threatened by union or separation.

## II. NATIONALISM

This chapter will examine nationalism in Montenegro with regards to its decision to remain a part of Yugoslavia in the 1990s which ultimately led to the formation of Serbia and Montenegro. In many regards, the two republics are the most similar of any in the former Yugoslavia. While Montenegrins are proud of their country and its history, I claim that there was no fanatical type of nationalism within it to lead it down the path of independence from Serbia.

### A. BACKGROUND

One of the root causes of the dissolution of Yugoslavia lies in the nationalistic rhetoric of then Serbian President Slobodan Miloševic. Under the premise of a "Greater Serbia," he convinced the Serb minorities, specifically in Croatia and Bosnia, that their liberties would be threatened by a breakup of the republics. The only way to preserve their rights would be to forcibly prevent the rogue states from becoming independent. Thus began the Yugoslav Civil War.

A series of vicious civil wars in modern day Europe's backyard seemed to be an impossible occurrence, but many looked toward Montenegro as the next battlefield where Miloševic would assert his absolute power if the tiny republic declared its independence. To understand why Montenegro chose the path it did, one must look at the sources of friction between the former republics. There have been countless articles written about the causes of

Yugoslavia's demise. Yet it was the cry of nationalism which served as the source and proximate cause of the initial conflict.

While the question of Montenegrin independence is an ongoing one, hateful, anti-Serb type nationalism will not play a major role in shaping its fate. Understanding nationalism and the elements of which it is comprised is important in determining whether or not it will impact the people of Montenegro and if so, to what degree. The constituent elements of nationalism that are of importance are "the consciousness of the population as unique or peculiar especially with respect to their ethnic, linguistic, or religious homogeneity, historical memories, and disrespect for and animosity towards other peoples."<sup>3</sup> Political leaders in Montenegro, both in and out of office, have a significant role in this as well. These individuals may decide to use nationalism as a means of energizing public support for independence. The similarities between Serbs and Montenegrins, while certainly not identical, are close enough such that they will not serve as a divisive issue. The current influential leaders in Montenegro are not disposed to use nationalism as a tool in asserting independence. If Montenegro ultimately decides to become independent, nationalism is not likely to be one of its underlying reasons.

Nonetheless, the possibility of nationalism growing in Montenegro was distinct as nationalism in the Balkans as a whole came to the world's attention during the civil war. At that time "almost every one of Yugoslavia's peoples

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<sup>3</sup> Peter Alter, *Nationalism* (Great Britain: Hodder Headline PLC, 1994), 3.

[had] been perceived as a threat to another national group and [had] felt threatened itself."<sup>4</sup> With Tito's death in 1980, the fear of reprisals for non-cooperation no longer existed and tension between the republics was boiling over. The situation was ripe for the republics to declare their independence. Montenegro could have succumbed to the nationalistic policies which were rampant elsewhere in the region and, perhaps, clash with Serbia itself.

#### **B. ETHNICITY**

Ethnic differences within the republics have often been cited as one of the primary sources of the Yugoslav conflict. Indeed, one may see an inverse relationship between the level of ethnic homogeneity within a republic and the intensity of fighting which ensued there. In Slovenia, where the fighting lasted a mere ten days, Slovenes consisted of 90% of the population and 98% of all Yugoslav Slovenes lived within its borders. On the other hand, only 60% of all Serbs lived within Serbia proper. In Croatia and Bosnia, Serb minorities consisted of 11.5% and 32.2% of the population respectively. Accordingly, the battles in Croatia were much more pointed than in Slovenia and even worse in Bosnia.

The issue of ethnic differences between Serbs and Montenegrins, while present, is not a divisive one. Although not a point of contention, 62% of the population of Montenegro considers themselves to be Montenegrins and only 9.3% Serbians. The issue becomes cloudier when people attempt to define what it means to be Montenegrin. Some believe that they are both ethnicities with Serbian being the broader group of which Montenegrin is a subset. These

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<sup>4</sup> Vesna Pesic, *Serbian Nationalism and the Origins of the Yugoslav Crisis* (Washington, D.C.: United States Institute of Peace, 1996), 1.

pro-Serbian Montenegrins claim that Montenegrins are one tribe of the Serbian nation and have the same ethnogenesis and culture. Professor William Dunn of the University of Pittsburgh's Graduate School of Public and International Affairs puts forth another take on this "same but different" view. He says some Montenegrins see themselves as "high-caste Serbs, the warrior Serbs" and that "there's a martial spirit there, and a sense of being separate that's important in Montenegro."<sup>5</sup> Other anti-Serbian Montenegrins reject this outright even to go as far as saying they are "not Slavs at all but descend from originally non-Slavic stock, only accepting Serbo-Croatian as their indigenous language somewhat later."<sup>6</sup> These differences of opinion are not regionally oriented and can be seen within individual families. The particularly infamous Serb nationalist Slobodan Milošević is of Montenegrin descent. His own brother Borislav considers himself Montenegrin.<sup>7</sup> In any case, the ethnic relationship between Serbs and Montenegrins is the closest of all the former republics as finding a Slovene or Croat who considers themselves a Serb in the larger sense, for instance, would be challenging at the very least.

### C. LINGUISTICS

Nationalism can also use linguistic differences to highlight the distinction between groups of people. The three official languages of Yugoslavia were Serbo-Croatian,

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<sup>5</sup> John Christensen, "Montenegro: Hotspot in the making?," 2001; available from <http://edition.cnn.com/SPECIALS/2000/kosovo/stories/region/montenegro>; Internet; accessed 29 April 2005.

<sup>6</sup> Sabrina P. Ramet, *Nationalism and Federalism in Yugoslavia, 1962-1991*, 2d ed. (Bloomington, IN: Indiana University Press, 1992), 212.

<sup>7</sup> Stojan Cerovic, *Serbia and Montenegro: Reintegration, Divorce, or Something Else?* (Washington, D.C.: United States Institute of Peace, 2001), 6.

Slovenian, and Macedonian. Following the break up, all the individual republics still speak one of these languages with the exception being that Serbo-Croatian is now defined as either Serbian or Croatian. With its Latinic alphabet, Slovenian is closer to Croatian than it is to Serbian. Macedonian appears to be closer to Serbian and its Cyrillic alphabet. In 1954, Serbian and Croatian linguists signed the Novi Sad Agreement which stated that the language of Serbs, Croats, and Montenegrins was in fact one language with two variants.<sup>8</sup> The Yugoslav Constitution of 1974 even guaranteed that members of the minorities in Yugoslavia, such as Hungarians, Turks, and Romanians, could use the language and alphabet of its choice to include in public affairs and before government agencies.<sup>9</sup>

While this article was widely respected by the government, some Yugoslavs attempted to use language to further define their specific ethnicity. Serbs have long held 19th century author Vuk Karadžić in the highest literary regard. It was Karadžić who "devised a spelling reform, formulated the first Serbian grammar, and published collected folk poems and tales."<sup>10</sup> Furthermore, Serbs believe that "by praising the national past and magnifying old glories through epics, he had great influence on the strengthening of national consciousness in the Serbian nation...Vuk Karadžić became the principal creator of

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<sup>8</sup> Robert Greenberg Gow, *Language, and Nationalism and Serbian Politics* (Washington, D.C.: East European Studies, Woodrow Wilson Center, 1999). The Eastern variant used around Belgrade is either stokavian or ekavian. The Western variant spoken around Zagreb is stokavian or ijekavian.

<sup>9</sup> Glenn E. Curtis, ed., *Yugoslavia: A Country Study* (Washington, D.C.: Federal Research Division, Library of Congress, 1990).

<sup>10</sup> Vasa D. Mihailovich, Ph.D., "Yugoslav Literature," in *World Almanac Encyclopedia*, 2005.

Serbian nationalism in the nineteenth century."<sup>11</sup> Textbooks urged children to "always only use pure Serbian words [by doing so] you also demonstrate that you are a patriot and that you love your national language."<sup>12</sup> Children were told that when the "foreigner and the enemy" refer to the language of Bosnians as Bosnian and that of Montenegrins as Montenegrin, they are speaking out against the creation of a Greater Serbia. As Croats were shoring up their national identity by way of defining a unique Croatian tongue, Serb politicians and authors claimed "Croats did not have any literature except for Serbian literature" and that "seeing that they could not constitute a nation on the cakavian and kajkavian dialects (spoken in Croatia), Croats got the idea to take our language (Serbian)."<sup>13</sup>

While the majority of Montenegrins openly recognize that they speak Serbian and not a separate language called Montenegrin, there is a vocal minority who claims otherwise.<sup>14</sup> In order to establish their position, this minority accentuates some of the concrete differences between the language used in Serbia and that used in Montenegro. The latter has three more letters than the thirty letters used in Serbian and Croatian. Furthermore, a Montenegrin accent and dialect are clearly discernible when compared to that of a native Serb speaker. Simply stated, though it may appear strange at face value,

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<sup>11</sup> Charles Jelavich, *South Slav Nationalisms: Textbooks and Yugoslav Union before 1914* (Columbus, OH: Ohio State University Press, 1990), 79.

<sup>12</sup> Ibid., 81.

<sup>13</sup> Sabrina Ramet, *Balkan Babel: Politics, Culture, and Religion in Yugoslavia* (Boulder, CO: Westview Press, Inc., 1992), 181.

<sup>14</sup> Cerovic, 6.

Montenegrins speak the Serbian language with a Croatian pronunciation.

Dr. Radovan Rotkovic, a Montenegrin politician, fears that Serbian government officials are slowly trying to erase the distinctness of a Montenegrin language from use. A parliamentary debate in Montenegro in 1994 concerned the education laws for high schools. Dr. Rotkovic noted that the law mentioned the "Serbian language," but not the ijekavian dialect that is used in Montenegro. He argued that this was not an oversight, but a deliberate attempt to denigrate the Montenegrin dialect. As evidence he displayed a high school book cover with the Serbian title on it instead of the Montenegrin one and calling it "tantamount to impudence and political imperialism."<sup>15</sup> The issue of a separate Montenegrin language is an ongoing one. If Montenegro were to become independent, Montenegrin would almost certainly be the language of the new state. However, even in its union with Serbia, many influential Montenegrins are advocating a "Montenegrin linguistic secession."<sup>16</sup>

#### **D. RELIGION**

The lack of religious homogeneity in the Former Yugoslavia gave nationalist leaders more leverage in agitating people already divided along ethnic lines. While religion did not completely follow ethnicities, the majority of Slovenes and Croats were Catholic, Serbs were Eastern Orthodox, and Bosnian Muslims were Islam. At times public officials practiced blatant religious favoritism

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<sup>15</sup> "In the Aftermath of Yugoslavia's Collapse: The Politics of Language Death and Language Birth," Fall 2001; available from <http://www.unc.edu/courses/2001fall/slav/075/aftermath.htm>; Internet; accessed 29 April 2005.

<sup>16</sup> Ibid.

within their jurisdictions. Local leaders in Split, Croatia delayed building of an Orthodox church and politicians did likewise with construction of a mosque in Ljubljana, Slovenia. In Serbia, spokesmen often characterized the struggles with Kosovar Albanians as one between Christianity and Islam.<sup>17</sup> Leaders from all ethnicities blurred the lines between secular and spiritual to excite the call to nationalism.

While significant religious differences do not exist between Serbians and Montenegrins, this is the area that has proved most susceptible to hostilities between the two peoples. The two largest segments of the Eastern Orthodox Church in the Former Yugoslavia were the Serbian Orthodox Church, present since the Middle Ages, and Macedonian Orthodox Church, which divided from the Serbian Church in 1967.<sup>18</sup> During Montenegro's period of independence, the Orthodox Church assumed the role of protector of the Montenegrin nation.<sup>19</sup> At one point in time, Montenegrins had their own unique branch of the Serbian Orthodox Church. This branch dissolved when the Serbian Orthodox Church was pronounced the official church of Montenegro in 1922.<sup>20</sup> In 1993, by the will of Montenegrins, the church hierarchy was reconstituted as the Montenegrin Autocephalous Church (MAC). Not surprisingly, confrontation with the Serbian Orthodox Church almost immediately ensured.

The unrecognized Metropolitan bishop Miraš Dedaic established the MAC headquarters in Montenegro's historic

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<sup>17</sup> Curtis, ed., 95.

<sup>18</sup> Ibid., 97.

<sup>19</sup> Ramet, *Balkan Babel*, 28.

<sup>20</sup> *The Columbia Encyclopedia*, 6th ed., s.v. "Montenegro."

capital of Cetinje. The rivalry between the Serbian and Montenegrin Orthodox Church has peaked during periods of church festivals and holidays. In these instances, they have challenged each other in "ritual and symbolic fashion." Occasionally, the two sides have resorted to using "traditional means such as fist-fighting and pistol-shooting - thus far, only in the air."<sup>21</sup> The rhetoric of each side is also chillingly harsh. An advocate of Montenegrin religious and state independence believes the MAC "will unify all Montenegrins around our native Montenegrin cults and saints in a single Montenegrin national state, instead of inciting hatred, turning us against our neighbors, and sending us to Heavenly Serbia."<sup>22</sup> The Serb metropolitan, Amfilohije, who controlled the metropolitanate of Montenegro, said the Montenegrins were adopting a "tribal identity." When newly elected Montenegrin President Milo Djukanovic called the MAC a symbol of distinct Montenegrin national identity and statehood, the Holy Assembly of the Serbian Orthodox Church condemned "the apostate Dedaic and his schismatic godless group backed by the separatists forces in Montenegro."<sup>23</sup> These inter-Orthodox battles have clearly not come to an end as the Montenegrin metropolitan recently told his parishioners "I am convinced that we will celebrate the day of Christ's resurrection next year in a free and independent Montenegro."<sup>24</sup>

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<sup>21</sup> Vjekoslav Perica, *Balkan Idols: Religion and Nationalism in Yugoslav States* (Oxford: Oxford University Press, 2002), 175.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> "Next Easter will be celebrated in independent Montenegro - Church head," 1 May 2005; *Podgorica Television Montenegro*; FBIS; accessed 3 May 2005.

While Yugoslavs in other republics may have been on both ends of religious discrimination, Serbs and Montenegrins are largely homogeneous in their religious practice. Today, 60% of Serbs and Montenegrins practice Eastern Orthodoxy.<sup>25</sup> Nevertheless, the specific type of orthodoxy practiced remains important to some Montenegrins. While a large scale conflict is unlikely to erupt in Serbia and Montenegro solely because of religious differences, they could become divisive issues as part of a large move towards independence.

#### **E. HISTORICAL DIFFERENCES**

Another potentially divisive issue between Serbs and Montenegrins comes in the form of their historical differences. Montenegrins have used the notion of a national writer to establish their national identity. They have a history of being an independent state from 1878 to 1918. As the only Allied country to be annexed by another country at the end of World War I, Montenegrins fought Serbs outright from 1919 to 1926 in protest of this act. Nevertheless, most modern day Serbs and Montenegrins are not at odds over their less than perfect history.

##### **1. The Story of Njegoš**

Petar Petrovic Njegoš is the best example of a Montenegrin national hero and yet this is still disputed by some Serbs. It has been said of him that "Njegoš is Montenegro and Montenegro is Njegoš."<sup>26</sup> He is credited with being an outstanding poet and administrator of Montenegrin

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<sup>25</sup> *World Almanac Encyclopedia*, 2004, s.v. "Serbia and Montenegro."

<sup>26</sup> John R. Lampe and Mark Mazower, eds., *Ideologies and National Identities: The Case of Twentieth-Century Southeastern Europe, How to Use a Classic: Petar Petrovic Njegoš in the Twentieth Century*, by Andrew B. Wachtel (Budapest: Central European University Press, 2004), 131.

affairs from 1830 to 1851.<sup>27</sup> As a leader he increased the power of the central authority, opened Montenegro's first schools, built its first roads, and fought back the Ottomans.<sup>28</sup> More importantly, however, is the body of literary work he produced at the same time as these accomplishments. His compositions contain many uses of local dialects and provincialisms, thus Montenegrins claim this as proof of a separate Montenegrin language. While being from Montenegro, his work is pro-Serbian, and for that reason he is claimed by Serbs to be a writer for their people.

Montenegrins appear to be torn between being proud of Njegoš for his impact on helping create a Montenegrin identity, and at the same time uncertain as to how to feel about the context in which Njegoš did this. In his seminal, and controversial, work *The Mountain Wreath*, the purging of Turkish influence from Yugoslavia is implied by what would be called "ethnic cleansing" in today's terms. In their efforts to achieve a national identity, Montenegrins are forced with redefining Njegoš such that they do not appear to condone those who use his works as propaganda in justifying such horrific acts.<sup>29</sup> Serbian paramilitary leader Željko Ražnatovic, otherwise known as Arkan, was an "admirer of Njegoš. And it turns out that he's not the only one whose heart begins to stir with black emotions at the reading of Njegoš's description of ethnic cleansing as a bloody baptism leading to the rebirth of Serbia as the most powerful nation in the region."<sup>30</sup>

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<sup>27</sup> Curtis, ed., 36.

<sup>28</sup> Lampe and Mazower, eds., 133.

<sup>29</sup> Ibid., 147-148.

<sup>30</sup> Ibid., 145.

In order to mitigate some of the negativity associated with Njegoš, Montenegrins have try to draw attention away from his specific message and focus more on general themes. For instance, one critic called *Mountain Wreath* "a hymn to freedom, a rejection of force and tyranny, a glorification of national and human ideals, the affirmation of moral ideas over brute desires."<sup>31</sup> Given the cruelty of the actual work, this "diversion" tactic seems to be the best one can do to deflect criticism. Still others refer to other, less vicious, works of Njegoš to show a different side of him. In a letter to Osman-Pasha of Skopje, a Serb convert to Islam, Njegoš said he "would like more than anything on earth to see accord between brothers in whom a single blood flows and who were nursed with the same milk."<sup>32</sup>

## **2. An Independent Past**

Montenegro is one of the only republics to have had its sovereignty recognized internationally before the creation of Yugoslavia. It is possible that nationalistic leaders may use this fact to stir up patriotism to once again attain this standing. Montenegrins have a reputation as "an unconquered race" and remember "to their everlasting credit that they not only remained free when the other Slav peoples as well as the Greek, Albanian, and Bulgar fell before the power of the Turk...they maintained their independence when all Europe, to the gates of Vienna, trembled before the hosts of the Crescent."<sup>33</sup> While it maintained status as an independent principality under the

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<sup>31</sup> Lampe and Mazower, eds., 139.

<sup>32</sup> Ibid., 140.

<sup>33</sup> Marian Cruger Coffin, "Where East Meets West: A Visit to Picturesque Dalmatia, Montenegro, and Herzegovina," *The National Geographic Magazine*, May 1908, 312.

Austro-Hungarian Empire, it was formally recognized as an independent state at the Congress of Berlin in 1878 by the Treaty of San Stefano.<sup>34</sup> However, during World War I Austrian forces overran Montenegro and its king, Nicholas I, was forced to flee to Italy. At about the same time, other South Slav leaders left for Italy and formed the "Yugoslav Committee." This group was dedicated to the union of Serbs, Croats, and Slovenes. Nicholas I had obtained the title of king only in 1910 and strongly opposed joining a South Slav state which would naturally require the loss of his title. Nevertheless, the Yugoslav Committee grew in power and influence and, through its representatives in Montenegro, obtained support for union effectively vetoing King Nicholas.

The Montenegrins left behind fought bravely though and the Allies declared their unity with them. British Prime Minister David Lloyd George promised the defeated nation that "the Allies will do justice to the heroism of the Montenegrins."<sup>35</sup> Regardless of this pledge of support, with Nicholas I ousted, the path was clear for King Karadjordjević of Serbia to annex the now powerless Montenegro.<sup>36</sup> By the end of 1918, the Njegoš Dynasty was deemed deposed and the Montenegrins allied with the Serbs. It would seem that the Montenegrins were to be a Serb-

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<sup>34</sup> The Columbia Encyclopedia, s.v. "Montenegro."

<sup>35</sup> Jeff Chu, "TIME Trail: Montenegro," 2000; available from <http://www.time.com/time/europe/timetrails/montenegro/>; Internet; accessed 29 April 2005.

<sup>36</sup> Charles and Barbara Jelavich, *The Establishment of the Balkan National States, 1804-1920* (Seattle, WA: University of Washington Press, 1993), 287, 301.

dominated power in the Kingdom of Serbs, Croats, and Slovenes which was recognized in the Paris Peace Conference of 1919.<sup>37</sup>

### **3. The Christmas Uprising**

The Montenegrins would end up fighting the Serbs even before the conference in would be known as the Christmas Uprising. This uprising later turned into a war resulting in casualties to the Montenegrins of approximately 3,000 dead, 3,000 wounded, and thousands of homes destroyed.<sup>38</sup> Again, the Montenegrins were under the belief that the Allies would not tolerate the forceful and unwanted annexation and come to the aid of their cause. When no help came, Montenegro was absorbed into the Kingdom and lost much of its identity to the larger Serbia.<sup>39</sup> As part of the Serb-dominated government, Montenegro largely ceased to exist as a separate entity in any capacity. Montenegro's status would remain unchanged until Tito came to power after World War II. In 1946 it was established as one of the six republics of the newly formed Yugoslavia. Yet, in considering a balance-of-power type of scenario, some have suggested that "the creation of a Montenegrin republic, rather than the inclusion of Montenegro in Serbia, was intended to allay fears of Serbian hegemony in other republics."<sup>40</sup> There are Serbs who still feel strongly about this today and have used it to disparage the Montenegrin identity. The significance of the Christmas

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<sup>37</sup> Curtis, ed., 44.

<sup>38</sup> "Christmas Uprising, 1919," 10 May 1997; available from <http://www.montenegro.org/uprising.html>; Internet; accessed 14 March 2004.

<sup>39</sup> "Serbia and Montenegro," January 2004; available from <http://www.state.gov/r/pa/ei/bgn/5388.htm>; Internet; accessed 29 January 2004.

<sup>40</sup> Fred Singleton, *Twentieth-Century Yugoslavia* (New York: Columbia University, 1976), 237.

Uprising is that it highlights the fact that even between two republics similar in many respects, violence can occur with the revocation of power.

#### **F. XENOPHOBIA**

The final element in the structure of nationalism to be discussed is the presence of disrespect for and animosity towards other peoples. Just prior to the fighting of the 1990s, this bitterness was palpable in the Balkans among the Serbs, Croats, and Muslims. One of the most visible signs of the tension was the use of slanderous titles to describe the opposing republic's nationalists in an effort to vilify them. The Croats resorted to calling the Serbs "Cetniks" while the Serbs compared the Croats to "Ustaše." These terms are derived from the events of World War II under the occupying forces of Nazi Germany. Colonel Draža Mihajlović's Cetniks, although enemies of the Nazis, were demonized by Tito's partisans because of disagreements over how to counter the Nazi threat. The Ustaše was the term used for the puppet Croatian government responsible for conversion, deportation, and extreme violence against Serbs, Jews, and Gypsies. The level of violence even appalled the Germans.<sup>41</sup> The reappearance of these terms during the Yugoslav Civil War demonstrates how leaders bent on nationalism energize the masses with disparaging oratory.

Serbs and Montenegrins have never resorted to using slanderous rhetoric on each other to achieve their political aims. While Montenegrins of the early 20th century were not agreeable to the annexation of their country, they did enjoy certain benefits as a republic.

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<sup>41</sup> Curtis, ed., 52.

Specifically, Montenegro, as the smallest and poorest republic, had equal rights with the other, more developed republics. There were no serious problems with Serbia during the period of communist Yugoslavia.<sup>42</sup> The relationship of Montenegro with Serbia during the Yugoslav Civil war was a precarious one. While careful not to alienate themselves from Serbia, Montenegrins openly criticized Serb leaders for their conduct during the 1992-1995 campaigns. Additionally, they condemned Slobodan Miloševic specifically during the 1998-1999 purges against Kosovar Albanians. The ruling coalition parties boycotted the September 2000 federal elections which ultimately led to the downfall of Miloševic's regime.<sup>43</sup> Thus it is apparent that even when the peoples of Montenegro do not agree with Serb acts, they are inclined to express their disapproval through political channels and not via inflammatory idioms or overt violence.

#### **G. POLITICAL LEADERSHIP**

In addition to the presence of these aforementioned elements in a state, a leader who is apt to use them as a means to an end is also necessary in invigorating the masses with nationalistic fervor. There are three political leaders in Serbia and Montenegro who fundamentally impacted the relationship between those two republics: Slobodan Miloševic, former President of Serbia then of Yugoslavia, Milo Djukanovic, Montenegrin President from 1998 to 2002, and his present day successor Filip Vujanovic. These individuals have played key roles in the past history of Yugoslavia and, in the case of Vujanovic, Montenegro's future.

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<sup>42</sup> Cerovic, 6.

<sup>43</sup> "Serbia and Montenegro," January 2004.

The potential of Montenegro to become an independent state while under the shadow of Miloševic's Yugoslavia were almost non-existent. The precedent was set in 1987 when, after a staged episode of police brutality, Miloševic told the Serbian minority in Kosovo "[n]o one has the right to beat you. No one will ever beat you again."<sup>44</sup> Soon after taking over as Yugoslav President, Miloševic revoked Kosovo's status as an autonomous republic. When Slovenia declared its independence in 1991, Miloševic mobilized the Yugoslav National Army to prevent them from breaking away. This episode repeated itself when Croatia and Bosnia declared their independence with much more bloody consequences. In light of past republics' experiences with desires for independence, there can be little doubt what would have happened to Montenegro if they too decided to break away from Yugoslavia.

While never espousing the cause of Montenegrin nationalism, the presidency of Milo Djukanovic was seen as a threat to Serbia from its outset. In fact, protestors from Belgrade attempted to disrupt his inauguration in January 1998. Djukanovic failed to side with Serbia during the Kosovo conflict the following year which further increased tensions between the two states. Miloševic openly voiced his displeasure with Djukanovic.<sup>45</sup> Nevertheless, Djukanovic never backed down and, although he risked incurring the wrath of Miloševic, continued to promise to the people of Montenegro a referendum on

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<sup>44</sup> "Newsmakers: Slobodan Miloševic, Former Yugoslav President," available from <http://abcnews.go.com/reference/bios/milosevic.html>; Internet; accessed 15 March 2004. In invoking this phrase, Miloševic is actually referring to events that took place during the Battle of Kosovo Polje in 1389 when the Ottoman Turks defeated the Serbs.

<sup>45</sup> Elizabeth Roberts, "Trouble Ahead," *The World Today*, (December 1999): 12.

independence.<sup>46</sup> The most likely explanation of Djukanovic's potentially inflammatory rhetoric is that he intended to use it "as a leverage against Miloševic in order to obtain a 'redefinition of relations with FRY', which in fact would mean the maintenance of a loose political affiliation with Belgrade and at the same time an opportunity to enact independent economic policies and qualify for western aid and investment."<sup>47</sup> Had Djukanovic advocated any form of violence in his gestures towards independence, he would have played into Miloševic's hands by justifying the latter's violent responded in kind.

After Miloševic had been removed from power, Djukanovic's biggest challenge was with the European Union. Officials from the EU urged Djukanovic to delay any move for independence under the pretext that it could cause strife within the state between those who support and those who oppose independence. In actuality, the reason was based on the EU's desire to avoid the issue of Kosovo's autonomy.<sup>48</sup> Finally, Djukanovic removed himself from directly having to confront the issue of Montenegrin independence by resigning as president in November 2002.

Montenegro's current president, Filip Vujanovic has shown no more tendencies towards utilizing nationalism in furthering his goals than his predecessor. Although Vujanovic has been in office less than a year, he was

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<sup>46</sup> "Montenegro: Settling For Independence?," in *International Crisis Group Balkans Report No. 107*, (Podgorica/Brussels: ICG, 2001), 1.

<sup>47</sup> Octavian Sofranksy, Stephen R. Bowers, Ph.D., and Marion T. Doss, Jr., "Montenegro: Vassal or Sovereign?," available from <http://www.jmu.edu/orgs/wrni/montenegro4.htm>; Internet; accessed 12 May 2005.

<sup>48</sup> "A Marriage of Inconvenience: Montenegro 2003," in *International Crisis Group Balkans Report No. 142*, (Podgorica/Brussels: ICG, 2001), 11.

formerly the Montenegrin Minister of Justice, Minister of Internal Affairs, and Prime Minister of Montenegro. While serving as Prime Minister under Djukanovic, Vujanovic said "[i]f we don't find a solution to coexist, we can certainly always ask the people's opinion."<sup>49</sup> The day after being elected President of Montenegro he said that he would call for a referendum after three years to give Montenegrins "a chance to determine their country's future."<sup>50</sup> It is plain to see from the tone of his remarks that while Vujanovic may want to further his citizens' ability to declare independence, it is not under the auspices of nationalism.

#### **H. CONCLUSIONS**

Evidence of the virulent form of nationalism is not present in Montenegro. Montenegrin ties to Serbia ethnically, linguistically, and spiritually, while not completely homogenous, are more similar than dissimilar. The relationship between the two states since World War II, beginning with the Tito led Yugoslavia, has been relatively peaceful. Montenegro did not get caught up in the drive for independence of the other Balkan republics in the 1990s. Finally, disrespect and animosity of Serbs towards Montenegrins and vice versa is not a factor in the sense where it will lead to nationalistic based conflict.

Furthermore, the political leaders in Serbia and Montenegro have not resorted to using nationalistic zeal against each other. The one political leader who truly repressed the will of Montenegrins is now at the

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<sup>49</sup> "Montenegro Hope For Independence Cross US Plans For Stable Balkans," October 2000; available from <http://www.mediaclub.cg.yu/eng/articles/2000/october/12.htm>; Internet; accessed 15 March 2004.

<sup>50</sup> "Montenegro Presidential Elections, 11 May 2003," May 2003; available from [http://www.balkantimes.com/resource\\_center2/english/montenegrilmay2003.htm](http://www.balkantimes.com/resource_center2/english/montenegrilmay2003.htm); Internet; accessed 15 March 2004.

international war crimes tribunal in The Hague. The most recent two Montenegrin presidents have pledged their commitment to letting the people of Montenegro decide their status democratically without inciting nationalism. In sum, for these reasons nationalism within Montenegro will not be a causal factor in their decision for or against independence.

### **III. MATERIAL INTERESTS**

In this chapter I will examine the influence of the material interests of actors in Montenegro on their decision to remain unified with Serbia instead of split into two separate states. I will focus on three issues in particular that concern Montenegrin material interests. First, I will determine if there was a desire to maintain an independent tariff and commercial policy or if Montenegrins honestly attempted to harmonize their policy with Serbia as the EU wanted. Second, I will look at efforts made to control Montenegro's borders and stem organized crime or see if there was a desire to participate in, or at least turn a blind eye towards, corruption. Lastly, and perhaps most importantly, I will examine how the potential windfalls of privatization affected the resolve of Montenegrins to conduct the process transparently or make under the table deals with prospective investors. This chapter will demonstrate that because there was no true cost to the material interests of Montenegro's politicians and business leaders, they were willing to form the union with Serbia. In practice, it was literally business as usual as the major actors made was no sacrifice to comply with the European Union's wishes. Consequently, the ability of external actors to influence Montenegro's decision to remain unified may not be as strong as it appears at first glance.

#### **A. BACKGROUND**

The claim of seceding in the name of material interests would not be unprecedented in the Balkans. The lack of economic consensus in the former Yugoslavia between

the wealthier northern sections and more planning oriented southern part was of particular concern to Slovenia and Croatia. Prior to the disintegration, Slovenia was contributing a higher per capita share to federal funds than any other republic because its per capita income was the highest. Croatia was earning more foreign currency than any other republic, yet by law, enterprises were able to retain only ten percent of this with the remainder deposited into the National Bank in Belgrade.<sup>51</sup> Unable to secure approval for multi-party elections and a market-oriented economy, the representatives of Slovenia and Croatia walked out of the last Congress of the Yugoslav Party in January 1990.<sup>52</sup> Slovenia and Croatia had set the example for economic discontent as a motive to secede. It is conceivable that Montenegrins could have also declared their independence for economic reasons, if it suited their material interests.

From an economic perspective, the "union" of Serbia and Montenegro is not very unified at all. There are two different currencies in use (the dinar in Serbia and the euro in Montenegro), two central banks, and separate customs systems.<sup>53</sup> In an effort to bring these two disparate economies together, an Action Plan for harmonization was created. This plan calls for Serbia to fund 95 percent of the joint federal institutions. However, Serbian and Montenegrin cooperation has not been forthcoming. Serbia stated that they will only pay for the

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<sup>51</sup> Singleton, 224, 227.

<sup>52</sup> Kenneth Zapp, "Economic consequences of national independence: the case of Slovenia," *International Journal of Politics, Culture and Society* 7, no. 1 (1993): 58.

<sup>53</sup> "Are they serious?," 13 February 2003; available from <http://www4.janes.com>; Internet; accessed 14 May 2004.

joint army stationed on its territory. This leaves Montenegro to cover the 26 million euro difference for the military on its soil including military pensioners. Officials in Montenegro have developed two creative solutions to this problem. They have proposed downsizing the military staff from 7,000 to 3,000 and selling off portions of its military property. Also, the Union navy protecting the coast is a shadow of its former self. One report states that some large patrol ships have already been sold for 1.5 million euro and that the sale of submarines may be next.<sup>54</sup> Steps such as these do not bode well for the future of an integrated economy.

As will be elaborated upon in Chapter IV, the decision to transform Yugoslavia into a Union of Serbia and Montenegro instead of granting immediate independence for each state was largely the work of the European Union. 80 percent of both Serbs and Montenegrins support this approach to Europe, but few believe their government is making progress in that direction.<sup>55</sup> European Union officials have repeatedly said that neither Serbia nor Montenegro will be able to enter the union individually. Specifically, the concern is that Montenegro's independence may touch off other independence movements in Kosovo, Macedonia, and even the Republic of Srpska in Bosnia plunging the region into another round of bloody conflict. The European Union's two main focus areas for the Union of Serbia and Montenegro are cooperation with the

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<sup>54</sup> Nikola M. Jovanovic, "Daily Reveals Montenegro Requested Sale of S-M Army Property on Its Territory," 17 May 2004; *Belgrade Blic*; FBIS; accessed 30 May 2004.

<sup>55</sup> "Serbia 'Frustrated' With Efforts To Harmonize Economy With Montenegro," 12 May 2004; *BBC Monitoring International Reports*; accessed 30 May 2004.

International Criminal Tribunal for the Former Yugoslavia (ICTY) and harmonization of their different economies.

Some accuse the European Union itself of sabotaging Serbia and Montenegro's efforts to join their organization. Goran Svilanovic, Serbia and Montenegro's foreign minister, claims that since Europe allowed his country to form with two banks and currencies, they can hardly criticize them for harmonizing too slowly. In agreeing to what the European Union brokered, Serbia and Montenegro "are bearing the consequences of the decisions of [their] governments."<sup>56</sup> Indeed, if the EU required immediate and complete economic union, the political union may not have materialized at all.

#### **B. TARIFFS AND COMMERCIAL POLICY**

One of the main problem areas between Serbia and Montenegro lies in harmonization of tariffs. An internal border exists between Serbia and Montenegro which, though not known to many, is claimed to be "one of the tightest in the Balkans."<sup>57</sup> This border effectively stifles the flow of goods and services between Serbia and Montenegro. A trader bringing his product into Serbia would pay one set of customs at its border, and another to take the same product into Montenegro. Banks are also reluctant to accept transfers from one side of the union to the other. Since Serbia and Montenegro have different sources for their income, each has its own concept of what the tariff structure for the Union should be.

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<sup>56</sup> Dragana Nikola-Solomon, "Experts Say Serbia-Montenegro Unlikely To Join EU Before 2016 'at the Earliest,'" 22 April 2004; *London Institute for War and Peace Reporting*, FBIS; accessed 30 May 2004.

<sup>57</sup> *Ibid.*

The issue at hand involves normalizing 56 agricultural tariffs. Serbia has long been the "bread basket" of the Balkans. With their large agricultural sector, Serbs want high tariffs on foodstuffs to protect their domestic food producers. On the other hand, Montenegro has a poorly developed agriculture and therefore wants low import taxes to obtain the best possible store prices for its citizens.<sup>58</sup> Serbian Prime Minister Zoran Zivkovic felt so strongly about Serbia's reluctance to lower the tariffs that he said "faced with this choice [of harmonization] and that of EU membership, we will choose to preserve our own agriculture." Voicing obvious displeasure with the EU, he added "we will not sign whatever Brussels serves up at any cost and with having to make such sacrifices...The rule-with-an-iron-fist policy passed into history a long time ago."<sup>59</sup>

In contrast to Serbian desires to limit the number of people entering the union, Montenegro has an interest in promoting a "loose" visa policy. Montenegrins rely on tourism and services for a bulk of their income. Tourism accounts for about 15 percent of Montenegro's GDP and an estimated 33 million euro is being invested in the industry this year. By 2015, investments are projected to reach 84 million euro or just over 20 percent of the total investments in the country.<sup>60</sup> Consequently, it behoves Montenegro's hoteliers to have as little bureaucracy as possible to entice tourists into spending their vacations,

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<sup>58</sup> Dragana Nikola-Solomon.

<sup>59</sup> "Zivkovic Says Serbia To Chose Agriculture Over EU Membership," 22 October 2003; *Podgorica Radio Montenegro*; FBIS; accessed 14 May 2005.

<sup>60</sup> "Montenegro Sees 8.5% Tourism Revenue Growth in 2005," 26 April 2005; *SeeNews*; accessed 19 May 2005.

and their hard currency, on the Montenegrin coast. Yet Serbian politicians fear a loose visa regime will result in a flood of foreign workers, thus undermining the employment rate of Serbian citizens.

Serbian and Montenegrin officials are well aware of the impact and importance of tariffs. Montenegrin President Milo Djukanovic understands Serbia's point of view. He believes it is "impossible to expect Serbia to cut customs rates for 56 agricultural products, and destroy its agrarian industry, or Montenegro to raise those same tariffs and threaten the living standard of its citizens."<sup>61</sup> The Governor of the National Bank of Serbia, Branko Hinic, sees another negative aspect to lower tariffs in Serbia. He explains that "the lower cost of imported products due to lower customs could have a positive impact on prices in general, but matters grow complicated in regard to the foreign trade deficit, since lower import prices are certainly conducive to import demands, and if there is a shortage in financing the trade deficit there will be pressure on the rate of exchange which will set the spiral shooting with the exchange rate pushing prices up."<sup>62</sup> Despite much discussion, the two sides are still not close to reaching an agreement regarding the issue of harmonization.

The actual harm that would come to Montenegro as a result of higher tariffs is disputed by economists. Daniel Gros, economist and director of the Brussels-based Center

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<sup>61</sup> "Serbian Agency Views Ongoing 'Reservations' in Montenegro Regarding State Union," 19 May 2004; *Belgrade BETA Week*; FBIS; accessed 30 May 2004.

<sup>62</sup> "Central Bank Official Views Consequences of S-M Customs Harmonization on Serbia," 16 June 2003; *Belgrade Glas Javnosti*; FBIS; accessed 14 May 2005.

for European Policy Studies, states that "harmonization of customs rates will have a direct impact on consumers in Montenegro to the amount of \$45 million a year."<sup>63</sup> Serbia had requested Montenegro raise its tariffs on textiles to 20 per cent. This increase would cost the typical Montenegrin household an additional 150 euros, which is an average monthly salary. Montenegrin Entrepreneurship Center Director Petar Ivanovic concurs with Gros and states that increasing tariffs means restricting economic freedom, leaving Montenegrins "to choose between expensive, unproductive and insufficiently beneficial domestic products, and expensive foreign commodities which are much more productive, but encumbered by customs."<sup>64</sup>

However, Milenko Popovic, director of the Montenegro University Institute for International Studies disagrees. While he believes an increase to the custom rates will cause losses to the Montenegrin economy, it will not be to the degree Gros predicts. According to Popovic, the magnitude of the loss will "depend on the quantity of Serbian products covering Montenegro's imports, and Montenegrin products and services replacing current imports." Additionally, Montenegrin losses will be mitigated by "the possible dynamic effect of customs harmonization and access to Serbia's comparatively large market for the export of Montenegrin products."<sup>65</sup> In fact, some studies have shown that the effects of harmonization on the Montenegrin economy were largely positive. In 90

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<sup>63</sup> "Montenegrin Analyst Says Import Lobby To Be Affected by Customs Harmonization," 8 January 2003; *Belgrade Vecernje Novosti*; FBIS; accessed 14 May 2005.

<sup>64</sup> Ibid.

<sup>65</sup> Ibid.

percent of the instances where customs rates were adjusted, retail prices did not increase. The budget deficit also did not rise as some had forecasted.<sup>66</sup> In light of this view of the effects of harmonization, Montenegrin politicians might not have stood to lose economically or politically by unifying with Serbia.

Those who stand to lose the most from customs harmonization are the importers. Popovic continues in saying that "losses from imminent harmonization will be suffered by the same people that profited from the imports, setting the prices higher than in Serbia. These people have been major profiteers in the last three years [since 2000], since the new trade regime was established in Montenegro."<sup>67</sup> Many people in the import lobby are in close connection with the government where some people earned their initial capital in less than transparent ways. Executive director of the non-governmental organization "Group for Changes," Nebojša Medojevic, applauded Montenegro's Minister for International Economic Relations and European Integration, Gordana Djurovic, as the first member of government to admit the import lobby exists, even though the deputy chairman of the Privatization Council, Veselin Vukotic, has always denied this.<sup>68</sup>

Medojevic also believes that harmonization will threaten the industrial leaders and their monopolies in Montenegro.<sup>69</sup> Harmonization is a long way off because "the

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<sup>66</sup> "Serbian Agency Views Ongoing 'Reservations' in Montenegro Regarding State Union."

<sup>67</sup> Ibid.

<sup>68</sup> "Montenegrin Government Manipulating Customs Duties NGO Official," 26 October 2004; *Financial Times Information*; accessed 17 May 2005.

<sup>69</sup> "Medojevic Deplores Montenegro's Economic, Political Situation," 24 April 2004; *Belgrade Politika*; FBIS; accessed 30 May 2004.

political elite [is] controlled by the financial oligarchs [and] does not want European standards in Montenegro. They don't want any changes. Going to Europe means implementing reforms, which so far have been only theoretical and could jeopardize their 'business' interests."<sup>70</sup> This underlying problem is much more difficult to address than the overt tariff issue and significantly affects any motivation Montenegro's economic and political leadership has in expediting harmonization.

From the very beginning of the debate about the feasibility of a union, Serbs and Montenegrins have nearly unanimously agreed that it was impossible to harmonize tariffs and commercial policies. They have continually stalled in complying with the EU's wishes. The European Union has recently shown a willingness to pursue a more realistic approach in dealing with Serbia and Montenegro. In adopting a "twin-track" approach, the EU has agreed to exclude from harmonization "customs tariffs, the signing of international agreements, foreign trade regime, and harmonization of taxes."<sup>71</sup> The effects of this reversal of position are two-fold. First, it more accurately reflects the economic reality of the situation in the union. Second, the EU has effectively bought itself time by removing one of the most significant points of contention between Serbia and Montenegro.

Despite making this concession, the EU remains insistent that the union not dissolve. Javier Solana, the chief architect in forming the union, said "by launching a

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<sup>70</sup> Dragana Nikola-Solomon.

<sup>71</sup> "Serbia Abandons Efforts to Harmonize Economic System with Montenegro," 26 January 2005; *Belgrade Tanjug*; FBIS; accessed 3 June 2005.

more differentiated approach, the EU was recognizing differences on the ground without splitting up the country.<sup>72</sup> The EU Council of Ministers President and Dutch Foreign Minister Bernard Bot said "that this twin-track approach does not mean that the EU endeavors for preserving the SCG State Union have failed, but that the EU would continue to strongly support the State Union while accepting the reality of different economic systems in Serbia and Montenegro."<sup>73</sup> Thus, this decision has allowed the constituent republics to continue their trek towards EU membership as a single entity while still protecting their individual economic interests.

#### **C. BORDER CONTROL, ORGANIZED CRIME, AND CORRUPTION**

In order to best serve their material interests, Montenegrin government officials have to assume positive control of their borders from Serbia and carry out a careful balancing act with the European Union. With border control in Montenegrin hands, it assures that any smuggler seeking safe passage will have to bribe Montenegrin, rather than Union, officials. Simultaneously, in order to avoid being branded as a state that condones trafficking, authorities have to appear to be taking steps towards stamping out illegal activity. Officials would not want to get too close to the EU, however, because that would increase EU scrutiny of Montenegro's faux efforts. For these reasons, Montenegrin politicians want to be free not only of its ties with Serbia, but also of European Union supervision.

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<sup>72</sup> Robert Wielgaard, "EU to deal separately with Serbia and Montenegro while insisting they remain one country," 4 September 2004; *Associated Press Worldstream*; accessed 3 June 2005.

<sup>73</sup> "EU Adopts 'Twin-Track' Approach To Speed Up S-M Rapprochement," 4 September 2004; *Belgrade Tanjug*; FBIS; accessed 3 June 2005.

On 31 December 2004, Montenegrin police assumed control over its 840 kilometer long border from the Army of Serbia and Montenegro. The state border department, comprised of 1,450 employees of whom 600 are border policemen, is responsible for securing Montenegro's borders. A smaller contingent of naval officers, under the auspices of the Ministry of the Interior, is in charge of the 137 kilometer long marine border. In a country with a population of roughly 650,000 where in 2004 five million people passed through, securing the borders is a major enterprise.<sup>74</sup>

Montenegro has artfully financed this undertaking with as little cost to itself as necessary by relying heavily on foreign aid. The United States has given a grant of four and a half million euros to cover the costs of training conducted by the US Department of Homeland Security and purchased equipment including four vessels, 30 all-terrain Fords, communications gear, and high-tech surveillance equipment. A statement from the US consulate in Podgorica says "the goal of this assistance is to help Montenegro fight smuggling, trafficking, terrorism, and other cross-border crime."<sup>75</sup> The European Agency for Reconstruction has donated 450,000 euros to buy equipment for detecting radioactivity, carbon dioxide levels in closed spaces, and passport reading devices. Department personnel have also received training from experts from the Organization for Security and Cooperation in Europe (OSCE).

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<sup>74</sup> "Montenegrin Police Assume Control of State Border," 3 March 2005; *Financial Times Information*; accessed 17 May 2005.

<sup>75</sup> "United States Donates Equipment for the Montenegrin Border Police," 10 December 2004; available from <http://podgorica.usconsulate.gov/press/2004/041210.html>; Internet; accessed 17 May 2005.

Despite these concrete steps towards border control and reduction in crime levels, Montenegrin officials face an uphill battle in overcoming a checkered past. Montenegro has had a reputation as a transit country for contraband coming from Albania and Turkey destined for Western Europe and the United States. In a public opinion poll conducted by the NGO Group for Changes, 53 percent of those polled believe that the present Montenegrin authorities are unable to fight crime and corruption with just over a quarter believing this to be possible. Over two-thirds of the participants believe that organized crime exists in their republic, despite statements to the contrary by state attorney Vesna Medenica.<sup>76</sup> Transparency International ranks Serbia and Montenegro in 97th place out of 145 countries measured according to their corruption perception index. The only European country with a lower score was Albania.<sup>77</sup>

There is ample reason for Montenegrin citizens to believe corruption is rampant in their society. An anonymous Montenegrin Interior Ministry official said that the operational division does an excellent job of conducting ambushes and apprehending suspects but then "a person from the state leadership or the police leadership, especially the State Security Service, comes to hush up the case" in the name of catching the "bigger fish." Then, claims the source, when the police arrest some of the "prominent mafia bosses, who usually escort large shipments

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<sup>76</sup> "Poll Shows Majority of Montenegrins Believe Government Unable to Fight Corruption," 23 February 2005; *Belgrade Tanjug*; FBIS; accessed 17 May 2005.

<sup>77</sup> Transparency International Corruption Perception Index 2004, 20 October 2004; available from <http://www.transparency.org/cpi/2004/cpi2004.en.html>; accessed 17 May 2005.

of merchandise, we have to release them even before we get them to a police station."<sup>78</sup>

Most notably, some high profile officials have been implicated in various crimes. In 2002, deputy state attorney Zoran Piperovic was arrested on charges of pimping and human trafficking. While his arrest was an important first step in the fight against organized crime in Montenegro, it left no doubt that corruption can reach the highest levels of government. In fact, Prime Minister Milo Djukanovic was at the center of a cigarette smuggling scandal for his alleged activities during the Yugoslav civil wars of the 1990s. A former smuggler said that "the Montenegrin authorities benefited hugely...for a case with 50 cigarette cartons [500 packets], we had to pay an import fee of \$36."<sup>79</sup> Cigarette smuggling remains a large problem as 70 percent of all cigarettes bought in Montenegro are smuggled.<sup>80</sup> At one point, there were four international investigations and a law suit against Djukanovic with the Italian government even issuing a warrant for his arrest. While he has not been convicted of any specific crime, the indictments themselves have not help improve the public's opinion on corruption in government.

Montenegro has attempted to alter this negative public perception. In September 2003, legislation was passed that requires identification of all transactions over 15,000 euros. The US has also sponsored a conference entitled

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<sup>78</sup> "Montenegrin Daily Alleges Security Forces 'Hush Up' Drug Smuggling Cases," 20 February 2004; *BBC Monitoring International Reports*; accessed 3 June 2005.

<sup>79</sup> Nicholas Forster and Sead Husic, "Probe into Montenegro's role at illegal cigarette trade," 9 August 2001; *Financial Times*; accessed 17 May 2005.

<sup>80</sup> "Montenegrin Police Assume Control of State Border."

"Techniques to Combat Money Laundering and Corruption" where a panel of distinguished international experts briefed Montenegrin judges, prosecutors, police, and members of the Financial Intelligence Unit.<sup>81</sup> Nevertheless, it is likely that public opinion will only improve with quantifiable results. A decline in the percentage of smuggled cigarettes in Montenegro, for example, would be an excellent demonstration of both the strength of Montenegro's tighter borders and the weakness of influence by smugglers and criminals on government officials.

#### **D. THE PROCESS OF PRIVATIZATION**

Finally, the privatization of property has been a slow and, at times, controversial process in Montenegro. Thus far the European Union has been content to allow Montenegro to conduct its privatization process without interfering. This has been to the benefit of Montenegrin officials who oversee privatization. At issue is the fate of some of the largest companies in the region. Thus, the fight among interested parties can be huge because it may shape the distribution of wealth and power in society for the foreseeable future. Montenegrin officials place great stock in the privatization of their companies to both improve them and consolidate where necessary. Montenegrin Minister of Labor and Welfare Predrag Drecun pragmatically compares privatization to an x-ray. "[Privatization] will examine the sick tissue of Montenegro's economy. A part of the 'sick companies' can be revitalized, while a part will

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<sup>81</sup> "U.S. Sponsors Conference in Montenegro on Combating Money Laundering, Corruption," 12 April 2005; available from <http://podgorica.usconsulate.gov/press/2005/050413.html>; Internet; accessed 17 May 2005.

have to be amputated.'"<sup>82</sup> Under Tito's leadership, companies were "socially owned" and economic assets were "deemed to be owned by society generally, and managed by the employees and the local community."<sup>83</sup> Privatization technically began in 1989, but was only seriously undertaken in the 1995-1996 time frame.

There is no supervisory agency at the Union level to oversee the transfer of property to private hands in Serbia and Montenegro. Rather, each republic has its own separate organization for this task. In Montenegro this is done by the Agency for Economic Restructuring and Foreign Investments. In Serbia it is simply known as the Agency for Privatization and falls under the Ministry of Economy and Privatization. This point is key to the future of the union because if such a joint agency existed, or was created, the beneficiaries of privatization would likely shift in favor of a unified state. That is, those holding the reins of power over privatization in one specific republic could only legitimately do so with the approval of a union agency overseeing it. In the current situation, each republic has had little conflict with the other over privatization matters in general.

There are two methods of privatizing firms in Montenegro: vouchers and tenders. With the exception of a handful of companies, most firms were offered for voucher privatization. Under this system, Montenegrin citizens received a privatization voucher worth around 2000 euros.

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<sup>82</sup> "Seminar on 'Media and Mass Voucher Privatization' Held In Montenegro," 18 April 2000; *Financial Times Information*; accessed 30 May 2004.

<sup>83</sup> "Serbia-Montenegro: Crucial year for privatization," *OxResearch*, Oxford (6 March 2003), 1.

They could then exchange their vouchers for shares at auctions. This process was completed in March 2002.<sup>84</sup> On the other hand, the tender method of privatization is designed to attract strategic, preferably foreign, investors. It essentially involves the largest companies in the country. As opposed to the voucher method, tenders have met with limited success in Montenegro. The government's 2003 privatization target was 70 million euros but achieved only 26.6 million euros.<sup>85</sup>

The ability of those who control the Montenegrin state to control which enterprises are privatized and by which method is very lucrative. In 2002, the estimated value of the 135 firms offered for voucher was about 692 million DEM. Comparatively, the fourteen companies offered under the tender system had an estimated value of 2.2 billion DEM. There were a further four companies for which a method had not been determined worth an estimated 3.8 billion DEM.<sup>86</sup> Thus it is clear that the bulk of highly valued companies, the "jewels in the crown," have been taken off the table for those with vouchers and made available to international corporations through tender.

The privatization of one of the fourteen by tender companies, the Aluminum Complex Podgorica (KAP), is causing great debate within Montenegro. Outside of Russia, the largest reserves of bauxite in Europe, the raw material for aluminum, are believed to be in Montenegro. KAP is a major

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<sup>84</sup> "Yugoslavia: Mixed fortunes for privatization plans," *OxResearch*, Oxford (19 April 2002), 1.

<sup>85</sup> "Montenegro: Time to Sell," 31 May 2004; *The Economist Intelligence Unit*; accessed 17 May 2005.

<sup>86</sup> Rade Bojovic and Miodrag Vlahovic, "Transition in Montenegro - Report No. 13" (Podgorica, Montenegro: Center for Democracy and Human Rights, March 2002), 36-37.

player in the Montenegrin economy. According to government officials, it is responsible for 30 percent of Montenegro's employment, "consumes 60 percent of Montenegro's electricity output and is the largest customer of the republic's railroads and of the seaport of Bar. As a result, the plant accounts for more than half of Montenegro's economy and foreign exchange earnings."<sup>87</sup> Consequently, KAP is perhaps the finest jewel of those in the crown.

The problem with KAP's recent sale is that Montenegrin officials conducted it in a less than transparent manner. The decision was not made by the commission in charge of tenders or the government's privatization agency, but by a direct agreement between Prime Minister Djukanovic and Russian Rusal owner, billionaire Oleg Deripaska.<sup>88</sup> Former American ambassador Richard Sklar objected to this backroom deal and attempted to intervene prior to the sale eliciting an inflammatory Russian response. Russian consul general in Podgorica Vladimir Vaniev sarcastically remarked that he wasn't aware that Montenegro was the 51st state and that, if this is so, he had better inform his foreign minister right away.<sup>89</sup> Despite this slight to Montenegro, the deal went through for an estimated \$135 million in equity and investment.

The apparent backroom deal has naturally caused an uproar by public watchdog groups. The Socialist People's

<sup>87</sup> "Swiss company takes control of Montenegro's sleeping giant," 8 December 1998; *Financial Times*; accessed 17 May 2005.

<sup>88</sup> C. Prelevic, "Montenegro's Medojevic 'Shocked' by Djukanovic's 'Deal' with Russian Billionaire," 7 April 2005; *Belgrade Vecernje Novosti*; FBIS; accessed 17 May 2005.

<sup>89</sup> "Americans Launched Anti-Russian Campaign in Montenegro Russian Consul," 1 April 2005; *BBC Monitoring International Reports*; accessed 17 May 2005.

Party deputy leader Dragisa Pesic claimed that "it is obvious that the deadline for the submitting of tenders was being put off so that the powerful Russian oligarch and the Montenegrin master would meet and reach an agreement in a café [and settle] the sale of over a half of Montenegro's economic resources."<sup>90</sup> In a scathing critique of the Montenegrin government, the Group for Changes claimed that this only confirmed that "there is only a pyramid of power consisting of Djukanovic and his closest friends, organizations linked to [organized] crime, intellectuals who have sold themselves, non-governmental organizations, and the controlling media. All that is an oligarchic capitalism that resembles feudalism and not modern capitalism."<sup>91</sup> The group's leader Medojevic believes that "the prime minister is obviously looking for some ways leading to Moscow, because that will probably be his destination when he quits politics, since he seems to be having problems with the judicial authorities of some other states. All this is just another confirmation that Djukanovic thinks of the citizens of Montenegro as his personal property."<sup>92</sup> The European Union has remained quiet about the controversial sale. While their silence may not indicate consent to the deal, EU officials certainly have not taken any overt measures to ensure legitimacy in Montenegro's privatization process.

#### **E. CONCLUSIONS**

In general, Montenegrins were able to satisfy their material interests without having to declare their independence thus satisfying themselves and the EU. First,

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<sup>90</sup> C. Prelevic.

<sup>91</sup> Ibid.

<sup>92</sup> Ibid.

despite initial attempts by the EU to force the harmonization of their economy with Serbia, Montenegrins were able to set tariffs and establish a commercial policy best suited for its citizens. Since the majority of goods in the republic are imported rather than locally produced, the Montenegrin import lobby had an interest in convincing leaders in the government to maintain low tariffs. Likewise, businessmen involved in the tourist industry favored a visa regime structured to make it as painless as possible for foreigners to come to Montenegrin shores. In the end, EU officials recognized the futility in trying to make the economic union work and changed Serbia and Montenegro's economic independence from being *de facto* to *de jure*.

Next, Montenegro has taken measures to gain control of its borders. It is important to note that savvy Montenegrin officials have done so with generous amounts of foreign aid. In addition, since corruption and illegal cross-border trade are still rampant in Montenegro, the net effect of this move only changes whose pockets are being lined. Montenegrin citizens are convinced that corruption is present in their government and the actions of their leaders justify this belief.

Finally, Serbia and Montenegro are in the process of privatizing their formerly socially owned companies according to laws created by their individual parliaments. As long as the status quo is maintained, with each republic controlling the disposition of its own firms, there is unlikely to be any inter-republic conflict. Yet this is not to say there will be no controversy inside the borders of each republic. The sales of the largest companies,

designed to attract strategic investment, have been lengthy and not entirely transparent. Furthermore, the EU has taken a *laissez-faire* approach with union in this process.

In sum, with regard to the material interests of importers, tourist related businesses, and government officials, it is business as usual in Montenegro. These individuals have effectively been able to have all the economic benefits of independence from Serbia without having to formally declare it. In reversing its position on mandating a joint economic policy, the EU has agreed to working with each republic individually rather than instigate an independence move by either of them. Assuming the EU will not revert to its original position, the resulting situation has been to the satisfaction of all parties. However, with economic matters now relegated to the republic level, the "union" of Serbia and Montenegro has become more of an administrative title than one indicating true accord.

#### IV. THE ROLE OF EXTERNAL ACTORS

This chapter will examine the role of external actors in the affairs of Serbia and Montenegro. The parties most interested in their continued union are the European Union, the United Nations, and the United States. Russia, however, has sent mixed signals to the Montenegrin government. In some regards, Russia encourages Serbia and Montenegro to work together, but almost simultaneously has sought to build political and economic ties with them separately. In any case, the notion of Slavic brotherhood, whereby Russia is presumed to have some special connection to the Serbs, is greatly exaggerated. History has shown that realism and practicality have dominated their relationship more than any sentimental or historical urge to come to each other's aid. Russia's influence on the union has been secondary to the other actors. Montenegro's interaction with the aforementioned external entities has already had an impact on its quest for independence and will continue to do so in the future. I argue that were it not for the intervention of a number of international actors, the European Union in particular, Serbia and Montenegro would have separated into two distinct states. Officials in the European Union knew that they could use the "carrot" of membership as leverage in shaping Montenegrin views on the benefits of independence. However, there are limits as to the extent of the international community's power to influence states. Montenegrin leaders were willing to work with the EU only

because they felt their ultimate aims of restoring Montenegro's international status would not be compromised by doing so.

#### **A. BACKGROUND**

##### **1. On the Path to Independence**

Following the NATO air war over Kosovo, Montenegro was very close to holding an independence referendum. Polls at the time showed a full 70 percent of Montenegrins would support the move with half of that number consisting of "Montenegrinists" and the remainder ardent supporters of then President Djukanovic.<sup>93</sup> Worth mentioning is that even twenty percent of those in the pro-Miloševic Socialist People's Party believed that a referendum should have been held. At the age of 35, Djukanovic won the 1997 Montenegrin presidential elections on a pro-independence platform. He consistently won subsequent elections holding similar views. Following his victory, he visited many Western heads of state and other top officials to promote his vision of an independent state. Understanding the international community would most likely not welcome another problem in the Balkans, Djukanovic was adamant that Montenegro's independence would not destabilize the region.<sup>94</sup> Stressing how strained relations had become between the two republics, legal scholar and pro-democracy advocate Srdjan Darmanovic claimed "Montenegro does not recognize the federal government at all. We have taken as much autonomy as we can and still legally be part of the

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<sup>93</sup> Janusz Bugajski, "Montenegro: out of the gray zone," *The Christian Science Monitor*, (20 December 1999), 9.

<sup>94</sup> "Djukanovic Tells NATO Assembly Montenegro's Independence Not Threat to Stability," 21 November 2000; *Podgorica Radio-Televizija Crne Gore*; FBIS; accessed 28 May 2005.

Federal Republic of Yugoslavia."<sup>95</sup> While this may be an exaggeration, it is only a slight one. Thus based on the rhetoric and actions of Djukanovic, Montenegro was clearly heading towards independence.

## **2. Pre and Post-Miloševic Montenegro**

However, Montenegro's outlook on independence changed with the fall of Miloševic in October 2000. Prior to this, Montenegrin politicians were having increasingly confrontational relations with the government in Belgrade leaving little doubt that they could secede without a conflict under Miloševic's dictatorial rule. Djukanovic stated that in the event of hostilities brought about by Miloševic, "we will have no other choice but to defend our state and our freedom."<sup>96</sup> In an interview with *The New York Times*, Djukanovic claimed that a Yugoslav special military police battalion with troops loyal to Miloševic was actually created in Podgorica to try to force him from power.<sup>97</sup> The height of these tensions occurred in July 2000 when Miloševic "amended the federal constitution allowing him to run for re-election and changing the regulation so that the Federal president is elected by popular ballot rather than in the Parliament."<sup>98</sup> This virtually assured Miloševic of victory as Serbs outnumber Montenegrins roughly sixteen to one. Miloševic was seeking to turn the largely ceremonial position of Yugoslav president into one

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<sup>95</sup> Laura Rozen, "Frontline Podgorica, Montenegro: Breaking up from Serbia is hard to do," 23 September 1999, *The Independent* (London), 19.

<sup>96</sup> "Djukanovic: Montenegro To 'Defend Our State' If Milosevic Provokes Conflict," 21 September 2000; *Podgorica Montena-Fax*; FBIS; accessed 8 June 2005.

<sup>97</sup> Carlotta Gall, "Montenegrin Says Belgrade Is Using Its Army to Oust Him," *The New York Times*, 28 March 2000, A3.

<sup>98</sup> "Internal Affairs, Serbia and Montenegro," 23 March 2004; available from <http://www4.janes.com>; Internet; accessed 14 May 2004.

of more authority. Montenegro, fearing a stronger federal president could more readily intervene in republic affairs, responded at once by declaring a suspension of federal decisions. Completely exhausted with being an international pariah, the people of Serbia rioted when Miloševic attempted to steal the election of autumn 2000 from opposition leader Vojislav Kostunica. This led to the easing of tensions between the two republics when Miloševic was extradited to The Hague in June 2001.

Although at first it may seem contradictory, a post-Miloševic regime was not entirely beneficial for Montenegrins desiring independence. Under Miloševic, Montenegro could count on a degree of sympathy and perhaps cooperation from the international community in its quest for independence. As one pro-independence Montenegrin wisely said shortly before the controversial 2000 elections, "I've never supported [Miloševic] more, because if Miloševic wins, we'll definitely have independence here."<sup>99</sup> With Miloševic removed from power, the attitude of most foreign governments leaned towards pressing Montenegro to cooperate with Serbia's democratic reforms rather than focus on separating from it. This served as an additional hurdle for Montenegro to overcome in attaining independent statehood.

### **3. The New Constitution**

From December 2001 to March 2002, the international community focused on diplomatic efforts to preserve some form of union between the last two remnants of Yugoslavia. These efforts culminated on March 14, 2002 when the President of the Federal Republic of Yugoslavia, the

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<sup>99</sup> Steven Erlanger, "Old Ties to Serbia Still Bind Many in Montenegro," *The New York Times*, 18 September 2000, A10.

Federal Deputy Prime Minister, the President of the Republic of Montenegro, and the prime ministers of Serbia and Montenegro signed the historic Belgrade Agreement. Another significant individual present was the official witness of the signing, European Union High Representative for Foreign Policy and Security, Javier Solana. This agreement effectively dissolved the country of Yugoslavia on February 4, 2003 when it was approved by the individual assemblies of Serbia and Montenegro. The agreement establishes the federal institutions as the Assembly, the President, the Council of Ministers, and the Court.<sup>100</sup> In some regards the two states are unitary in name only, most notably with respect to their economy and customs laws as discussed in Chapter III. The central government in Belgrade is ostensibly in charge of defense and foreign affairs, but Montenegro has tried to strike new ground with the latter. While largely unsuccessful, Montenegrin politicians have attempted to reach out to the West with hopes of forging bilateral relations separate from Serbia. For example, rather than providing unconditional support, Secretary of State Albright cautioned Montenegrin Prime Minister Vujanovic against a hasty declaration of independence during a four-day visit to the US.<sup>101</sup>

Two of the more important articles of the agreement concern the issues of independence and the structure of the military. The earliest that either constituency can hold a referendum for independence is 2006. If this occurs, international documents concerning the Federal Republic of

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<sup>100</sup> "Text of Serbia-Montenegro agreement," 15 March 2002; available from <http://news.bbc.co.uk/2/hi/europe/1874523.stm>; Internet; accessed 24 May 2004.

<sup>101</sup> "Vujanovic Says US Urging Caution Over Referendum," 5 February 2000; *Paris AFP (North European Service)*; FBIS; accessed 7 June 2005.

Yugoslavia, particularly UN Security Council Resolution 1244, "would relate in their entirety to Serbia as successor."<sup>102</sup> This ensures the fate of Kosovo is not left undetermined if a split should happen. Under Tito's regime, conscripts served outside their native republic under the presumption that they would more readily put down uprisings against other ethnicities than their own. However, under the new union, recruits complete their mandatory military service in their native member-state, but may serve in the other member-state if so desired. This leaves the possibility of each state's security forces being used against each other in the event of inter-republic hostilities. These two constitutional articles demonstrate the shift away from Tito's tightly controlled Yugoslavia where, until 1974, the federal state dominated the republics as well as the perverted version offered by Milošević where Serbia alone held that position.

#### **B. THE EUROPEAN UNION**

The most influential outside entity in the relationship between Serbia and Montenegro has been, and most likely will continue to be, the European Union. Montenegro has viewed its possible future as an independent state inextricably tied to EU recognition. Montenegrin President Filip Vujanovic said that the "way to European integration is the interest of all the people of Montenegro, interest of all the parties, governing and opposition..."<sup>103</sup> Serbian politicians, on the other hand, have not always put as much interest in joining the EU as Montenegro. Yugoslav Premier Momir Bulatovic once said

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<sup>102</sup> "Text of Serbia-Montenegro agreement."

<sup>103</sup> Filip Vujanovic, "Feasibility study completion delay is harmful to Montenegro," 13 February 2004, Press Conference, Podgorica, Serbia and Montenegro.

that he was proud to be on an EU blacklist which barred him and hundreds of other Miloševic loyalists from entering any member countries. He boasted "we are all proud to be on the list, which is the proof that we remained faithful to our goals, interests, obligations and the need to defend our country" and that "getting off the list would be easy, you just need to say that Slobodan Miloševic is not right and that America is right."<sup>104</sup>

The European Union has most recently asserted itself in the affairs of the Former Yugoslavia with the admission of Slovenia on 1 May 2004 and accepting Croatia as a candidate country on 18 June 2004. Javier Solana has clearly and repeatedly stated that the road to joining the European Union lies in Serbia and Montenegro's continued unity, though his role in helping create the Belgrade Agreement was somewhat controversial because of his previous positions. As one Serbian politician noted "it [is] cynical that the man who ordered the bombing of Yugoslavia...as the then Secretary General of NATO should be assisting the talks process now."<sup>105</sup> Still others who believe he held too prominent a role in the negotiations derisively call the new union of Serbia and Montenegro "Solania." The issue of how long the members of the union would have to wait until holding an independence referendum proved to be one of the complex items of the compromise. Solana initially proposed a moratorium on such a referendum for five, six, or even seven years. Naturally this was ill-received by Montenegrin Prime Minister Milo Djukanovic

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<sup>104</sup> "Yugoslav Premier says he is flattered by EU punishment," 19 December 2000; *Associated Press Worldstream*, accessed 28 May 2005.

<sup>105</sup> "Yugoslavia's future: Who wants what?," 17 December 2001; available from <http://news.bbc.co.uk/1/hi/world/europe/1715822.stm>; Internet; accessed 24 May 2004.

who wanted it much sooner. The negotiating parties reached a compromise of three years which began counting down when the new constitution came into effect.<sup>106</sup>

There is no apparent dissension within the EU ranks on its firm position on Serbia and Montenegro. Then French Foreign Minister Hubert Vedrine said that "no European or American leader, as far as I know, is in favour of Montenegro possibly becoming independent, and I don't believe, what's more, that there are any neighboring countries who are in favour of it either."<sup>107</sup> In a visit to Belgrade, French President Jacques Chirac bluntly said that "the European Union opposes the idea of an independent Montenegro. The Union is now hostile towards a total severance of relations between Montenegro and the federal state."<sup>108</sup> Likewise, Germany, who was largely responsible for leading the international community in recognizing an independent Slovenia and Croatia in 1991, urged Montenegro to give democratic reforms in Serbia a chance. In a meeting with President Djukanovic, German Foreign Minister Joschka Fischer flatly said that his country would not support "Podgorica's plan to achieve quick sovereignty."<sup>109</sup>

The European Union's major apprehension with Montenegro's declaration of independence is that it will create further instability in the region. Of specific

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<sup>106</sup> "Montenegrin Premier calls for independence referendum in 2005," 9 May 2004; *BBC Monitoring International Reports*; accessed 10 May 2004.

<sup>107</sup> "French foreign minister says Europe, US against Montenegrin independence," 7 February 2001; *Paris AFP (Domestic Service)*; FBIS; accessed 26 May 2005.

<sup>108</sup> "Montenegrin Authorities Face Growing Foreign Pressure To Abandon Independence," 12 December 2001; *Belgrade BETA*; FBIS; accessed 26 May 2005.

<sup>109</sup> Andrei Urban, "German FM skeptical about Montenegro's independence," 8 November 2000; *ITAR-TASS News Agency*; accessed 28 May 2005.

concern are independence-minded Albanians in Kosovo, as well as in Macedonia, and Serbs from the former warring factions within Bosnia and Herzegovina. Almost a quarter million ethnic Albanian refugees fled to Macedonia during Operation Allied Force in 1999 and its sizable Albanian minority already there may more actively seek a union with Albania proper if Serbia is the lone successor to Yugoslavia. Finally, the still delicate peace in Bosnia and Herzegovina may be shattered if the Bosnian Serbs desire political unity with an individually sovereign Serbia. In sum, the EU has legitimate reason to worry that an independent Montenegro could result in upsetting the uneasy calm throughout the Balkans.

To a certain extent, the European Union is intervening in the domestic policy of a sovereign state. Solana justifies this as "further fragmentation would only create further division and instability in Montenegro and the region."<sup>110</sup> He also warned Montenegro that in declaring independence they would effectively lose all gains made to date by the combined efforts of both states. One other method Solana is using to decrease the chance of Montenegrins passing a successful independence referendum is by requiring its support by a qualified majority rather than a simple majority.<sup>111</sup> In this endeavor he has the backing of the Organization for Security and Cooperation in Europe (OSCE), Europe's preeminent elections watchdog. Finally, despite all the efforts of the European Union to

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<sup>110</sup> "Solana warns Montenegro against independence," 1 December 2001; *Europe Information Service* No. 2640; accessed 10 May 2004.

<sup>111</sup> A simple majority would require only more than half in favor of the referendum to pass while a qualified majority would need to exceed a predetermined threshold higher than half. The EU has not yet proposed or recommended a specific percentage for Montenegro.

keep the two countries together, even their own officials admit that if "after a democratic process Montenegro becomes independent, [they] will reluctantly accept this."<sup>112</sup>

Montenegro did not accept the Belgrade Agreement without believing they would receive something in return from the European Union. Their agreed upon delay in holding an independence referendum was supposed to be in exchange for more rapid progress towards membership. However, the European Commission has only recently completed a feasibility study on Serbia and Montenegro's preparedness for entry which is the first important step in the process. EU Commissioner for Enlargement Olli Rehn stated that "this is the beginning of the European road for Serbia and Montenegro." The study concluded that the union is sufficiently prepared to negotiate a Stabilization and Association Agreement (SAA). The SAA, the final stage of the Stabilization and Association Process, creates "a contractual relation between a country of the [Western Balkan] region and the European Union."<sup>113</sup> The timing of the announcement may be more than coincidence. Serbia and Montenegro's prospects for EU membership have improved considerably with less than a year before the first available opportunity to hold an independence referendum.

While the EU holds considerable sway in the Balkans, Montenegrin officials have stated there are some matters

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<sup>112</sup> "Montenegro accuses EU of bias against small countries," 9 February 2002; *Europe Information Service* No. 2658; accessed 10 May 2004.

<sup>113</sup> "Serbia and Montenegro: Commission confirms sufficient progress to open negotiations on a Stabilisation and Association Agreement," 12 April 2005; available from [http://europa.eu.int/comm/external\\_relations/see/news/](http://europa.eu.int/comm/external_relations/see/news/); Internet; accessed 26 May 2005.

that are non-negotiable. During an interview with an Italian newspaper, Djukanovic was asked if there was anything in Montenegro's negotiations with the EU that he could never accept. The prime minister was clear in his response by saying:

What we could never accept in any way whatsoever are limitations on our right to choose our future. We would consider that discrimination. If Europe disagrees, let it call a meeting of the Council for General Affairs and state explicitly that Montenegro cannot do it; but I think certain rights are indisputable.<sup>114</sup>

Following the signing of the Belgrade Agreement, Djukanovic faced the wrath of his pro-independence constituency who accused him of betraying his election promises. During a question and answer session, he vehemently denied this accusation claiming "my election promise was to pursue a policy conducive to the restoration of Montenegrin statehood...I still believe that this is the best solution for the present and the future of Montenegro." Later in the session he reiterated that his preoccupation was "not with the [independence] referendum, but with the restoration of Montenegrin statehood, and with Montenegro regaining its international and legal status."<sup>115</sup>

### **C. THE UNITED NATIONS AND THE ICTY**

Firmly linked to Montenegro's status in Europe and the world is its relationship with the United Nations. Prior to the fall of Milošević, Montenegro, in an attempt to increase its diplomatic visibility and gain Western support, sent Zeljko Perović to establish himself as a

<sup>114</sup> "Montenegro's Djukanovic Lists Reasons for Rejecting Yugoslav Federation," 22 February 2002; *Tur Stampă*; FBIS; accessed 8 June 2005.

<sup>115</sup> "Montenegrin president says accord with Serbia best possible at present," 14 March 2002; *Podgorica Television Montenegro*; FBIS; accessed 8 June 2005.

self-proclaimed one-man "head of mission and U.N. liaison officer."<sup>116</sup> Yet, since it was a constituent republic of Yugoslavia at the time, Montenegro could not even receive "observer" status similar to that granted to entities like the Palestine Liberation Organization. In fact, not even the envoys from Belgrade had full rights at the UN as some membership rights were revoked with the outbreak of civil war in 1992.<sup>117</sup> While a worthy attempt, the Montenegrin move proved to be an ineffective means of championing their cause.

Montenegro has a special interest in maintaining good relations with the UN's International Criminal Tribunal for the Former Yugoslavia (ICTY). Established by Security Council Resolution 827 on May 25, 1993, the ICTY has focused its efforts on prosecuting all those guilty of committing war crimes regardless of ethnicity.<sup>118</sup> Serbia and Montenegro are constantly reminded that their admission to the European Union depends greatly on their compliance with the ICTY. According to European Union External Relations Commissioner Chris Patten, "[l]et's be clear, Serbia can protect those indicted for mass murder and other horrible crimes or it can join the European Union, but it can't do both."<sup>119</sup>

Montenegro has two distinct approaches in its relations with the ICTY. The first involves collaboration

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<sup>116</sup> Nicole Winfield, "Montenegro More Visible at UN," 15 July 2000; *Associated Press Online*, accessed 26 May 2005.

<sup>117</sup> *Ibid.*

<sup>118</sup> "ICTY At A Glance," 21 April 2005; available from <http://www.un.org/icty/glance/index.htm>; Internet; accessed 26 May 2005.

<sup>119</sup> "Patten points to patchy progress towards prospective membership," 1 May 2004; *Europe Information Service* No. 2865; accessed 10 May 2004.

with Serbia in amending a controversial constitutional law. After its ratification in 2002, the offending law, "Article 39," held that any person indicted for war crimes after the law came into effect could not be extradited to The Hague. There was an immediate international outcry when the article was passed. Judge Claude Jorda, President of the ICTY, said Article 39 "contravenes international obligations." The European Commission had characterized Serbia and Montenegro's cooperation with the ICTY as "slow, reluctant, and insufficient." Serbia and Montenegro responded to this criticism by amending the law. The amendment strips away the time limitation clause so that further indictments are permitted. Serbia and Montenegro's foreign minister Goran Svilanovic acknowledged that new indictments can be expected with the passing of the amendment. This amendment has won praise from the Coalition for International Justice in showing "renewed willingness to cooperate with The Hague."<sup>120</sup>

Unfortunately, the move towards compliance has not always been steady and uniform. In March 2004, the United States withheld \$26 million in economic aid to Serbia and Montenegro because of Serbia's lack of compliance with the ICTY. Thus Montenegro's second tack involves distancing itself from Serbia and its associated image as an international outcast. The Montenegrin government is actively working with the ICTY independent of Serbia. Former Montenegrin Foreign Minister Dragiša Burzan pledged his country's full cooperation with the ICTY calling it "a civilization matter for us." He also vehemently denies the

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<sup>120</sup> "Serbia and Montenegro moves toward the EU," 7 April 2003; available from <http://www.euobserver.com/index.pthml?print=true&sid=9&aid=10839>; Internet; accessed 12 May 2004.

presence of any indictees on Montenegrin soil.<sup>121</sup> President Vujanovic was even more specific stating "Karadžić [who was born there] would never enter Montenegro because he knows he would be arrested immediately." Vujanovic called the allegations that he is hiding there "lies...presented to make the international community less interested in cooperation with Montenegro."<sup>122</sup> Montenegro is aware of the link between working with the ICTY and its rapprochement with Europe. Although Serbia has worked with The Hague in an inconsistent fashion, Montenegro is much more anxious to cooperate in order to further the legitimacy of their international aims.

#### **D. THE UNITED STATES**

The position of the United States towards Serbia and Montenegro virtually mirrors that of the European Union and United Nations. The US feels strongly that Serbia and Montenegro should remain together. In July 1999, when asked by the editor of a Montenegrin weekly if the US would block a Montenegrin move towards independence if forced to leave Yugoslavia because of Milošević, President Clinton said "I want the people of Montenegro to have a maximum of freedom and self-determination. But I don't think it's a good idea for the United States, or for Western Europe generally, to get in the business of redrawing national borders right now."<sup>123</sup> US Ambassador to Yugoslavia, William Montgomery, said that "the United States fully supported

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<sup>121</sup> "Burzan says no Hague indictees in Montenegro," 17 February 2003; *Financial Times Information*; accessed 27 May 2004.

<sup>122</sup> "Karadzic not in Montenegro, premier says," 17 March 2002; *Deutsche Presse-Agentur*; accessed 26 May 2005.

<sup>123</sup> Anna Husarska, "FRYed," *The New Republic* 221, no. 14 (4 October 1999): 17.

the views of the EU regarding the future relations of Montenegro and Serbia...there is no longer any dilemma about it."<sup>124</sup>

The United States has taken something of a political "tough love" approach with Montenegro. As with the EU, the US is insistent on the union's full cooperation with The Hague and is critical of Belgrade's "arms-to-Iraq" scandal in 2002. While Miloševic was in power, the US had to give its support to Djukanovic to help undermine the dictator's power base, but not so much so as to give the appearance of backing Montenegrin independence. US-Yugoslav relations reached their lowest point in 1999 when Richard Holbrooke sought Yugoslavia's removal from the United Nations. Yet even after Miloševic's fall, it was challenging for Montenegrin authorities to receive Western acknowledgement. One month after the Bush administration took office, Secretary of State Colin Powell refused to see Djukanovic when he was in Washington, D.C.<sup>125</sup> The State Department claimed that Powell did not want to influence the impending elections in Montenegro.

Montenegro also has to consider America's clout even with regard to EU accession. Croatia recently admitted that its "cooling relations" with the US were "instrumental...in the postponement of [membership] negotiations with the European Union."<sup>126</sup> The road to the

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<sup>124</sup> "Ambassador Montgomery Confirms US Against Montenegro's Independence," 13 February 2001; Belgrade BETA; FBIS; accessed 26 May 2005.

<sup>125</sup> Tom Gallagher, "Identity in Flux, Destination Uncertain: Montenegro During and After the Yugoslav Wars," *International Journal of Politics, Culture and Society* 17, no. 1 (Fall 2003): 66.

<sup>126</sup> Nikola Jelic, "Coolness in Croatia's Relations with US Seen as Obstacle to Joining EU, NATO," 23 May 2005; Zagreb Jutarnji List; FBIS; accessed 25 May 2005.

EU may not lead through Washington, but US support is understood to be an unstated prerequisite for countries seeking EU membership.

The United States continues to be an important actor in the region for economic reasons. America was Serbia and Montenegro's largest foreign investor in 2003.<sup>127</sup> On another level, the United States holds sway with the other potential sources of external aid. If they can convince these foreign actors that aid to Serbia and Montenegro is inadvisable, they very well may stop their assistance efforts. This move would devastate Serbia and Montenegro's already fragile economy. Serbian Deputy Prime Minister Miroljub Labus put it succinctly: "Serbia cannot do without the IMF."<sup>128</sup> While the threat of foreign aid drying up is serious enough, there may be even graver impacts. As a consequence of the withdrawal of foreign aid, investors may interpret this as a sign of regional instability and lack of international commitment. The likelihood of investment in this type of scenario is very low. Clearly, the United States' influence over Serbia and Montenegro is substantial both politically and economically.

#### **E. RUSSIA**

Not all of the actors who can influence Serbia and Montenegro are from the West. There is a perception that Russia has historic ties to Serbia and they will always come to the aid of their "Slavic brothers." In fact, Russia only supports the Serbian cause when it is to their benefit and, historically, "when push comes to shove Russia

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<sup>127</sup> "External Affairs, Serbia and Montenegro," 17 March 2004; available from <http://www4.janes.com>; Internet; accessed 14 May 2004.

<sup>128</sup> "Labus Says Serbia Ready To Pursue Reforms, Optimistic on Debt, IMF," 12 April 2004; *Novi Sad Dnevnik*; FBIS; accessed 30 May 2004.

has always abandoned the 'savages.'"<sup>129</sup> In recent times, Russia has sent conflicting messages regarding the relationship between Serbia and Montenegro. Russia began with ambivalent statements. They said that the matter was purely a domestic one and "[w]hether Serbia and Montenegro become independent states or stay in a single federation, Russia is prepared in any event to cooperate closely with both republics."<sup>130</sup>

The next development occurred in April 2003 when Russia decided to withdraw its peacekeeping contingent from Kosovo and Bosnia. The two reasons given by Russian Chief of General Staff Anatolii Kvashnin were that all of their military objectives had been achieved and the high operating costs of the deployments. In reality, there is still unrest there which requires an international military presence and the total operational expense is relatively small. The more likely reason is a lack of Russia's interest in the Balkans stemming from the discernment that they cannot compete with the West there.<sup>131</sup> Serbian President Boris Tadic could only say that, "we did not fully understand this decision, but we respected it."<sup>132</sup> Russian officials added that the drifting of Kosovo towards independence will lead to "a second Chechnya, where terrorism and drug trafficking will flourish...in the

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<sup>129</sup> Judah, 52.

<sup>130</sup> Maksim Yusin, "Russia Would 'Cooperate Closely' With Both Independent Montenegro and Serbia," 10 April 2001; *Moscow Izvestiya*; FBIS; Internet; accessed 14 May 2004.

<sup>131</sup> "Troop pull-out shortens Moscow's reach," *OxResearch*, Oxford (25 April 2003), 1.

<sup>132</sup> Gennady Sysoyev, "Russia Should Be in the Balkans," 17 November 2004; *Moscow Kommersant*; FBIS; accessed 25 January 2005.

center of Europe."<sup>133</sup> Fortunately this grim prediction has not come to pass. Nevertheless, the decision to leave effectively relinquishes Russia's ability to have a say in the region with regard to military matters. Later in the same month of making this decision, in a reversal of statements made two years prior, a spokesman for the Russian Foreign Ministry said their country backed "the efforts of Belgrade and Podgorica to build up a Serbian-Montenegrin state commonwealth."<sup>134</sup> However, this somewhat unclear stance of Russia's true role in the region has not deterred Serbia and Montenegro from seeking its support.

Serbia and Montenegro has looked to Russia for both political and economic assistance. During the aforementioned crisis in 2000 when Miloševic adopted fundamental constitutional amendments without consulting Montenegrin officials, the Serbian leader was hoping Montenegro would actually attempt to hold an independence referendum. This would have given him justification in declaring martial law and the ability to deploy the Yugoslav army against Montenegro. Djukanovic believed the Balkans were facing another civil war "which only Russia could prevent."<sup>135</sup> Yet at this critical hour Russia did not intervene. Economically, Serbia and Montenegro are dependent on Russia for energy sources such as natural gas. Serbia in particular has a critical need for natural gas to

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<sup>133</sup> "Russia to quit ex-Yugoslavia; Kosovo to become 'a second Chechnya,'" 9 April 2003; *BBC Monitoring International Reports*; accessed 14 May 2004.

<sup>134</sup> "Russia supports efforts to build Serbian-Montenegrin commonwealth," 23 April 2003; *Financial Times Information*; accessed 14 May 2004.

<sup>135</sup> "'Only Russia' can stop new Balkan war after Milosevic snub to Montenegro," 12 July 2000; *Moscow Kommersant*; FBIS; accessed 14 May 2004.

improve its economy and, at one point, had a \$300 million debt to Russia's gas industry joint-stock company Gazprom.<sup>136</sup> Gas shipments were actually suspended in June 2000 due to Serbia's arrears and projected inability to pay. Finally, as discussed in Chapter III, many businesses and industries in Montenegro have yet to be privatized which make them ripe for foreign investors. Russia has already poured capital into Montenegro by purchasing hotels on the Adriatic and real estate connected to tourism.<sup>137</sup> While Russia may not hold a dominant position in determining the future of the union between Serbia and Montenegro, the two republics continue to have interests there. Therefore, in the search for European Union membership, Serbia and Montenegro have to find a balance between embracing the West while being careful not to alienate Russia.

#### **F. CONCLUSIONS**

Under the leadership of Djukanovic in the late 1990's, Montenegro seemed to be destined for independence. Yet, it was the EU that brokered the peaceful transition from Yugoslavia into the Union of Serbia and Montenegro. Djukanovic placed greater value on becoming an EU member state than on any other goal, even independence. Without EU involvement, Montenegro would have likely declared its independence regardless of the consequences outside its borders. Yet, Djukanovic did not perceive the signing of the signing of the Belgrade Agreement as a true sacrifice

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<sup>136</sup> Gennady Sysoyev, "Russia invited to Balkans - With Natural Gas in Tow," *The Current Digest of the Post-Soviet Press* 53, no. 8 (23 February 2001): 21. Though Russia simultaneously had a debt to the Former Yugoslavia of about \$267 million.

<sup>137</sup> "Montenegrin Premier, Russian Foreign Minister discuss political, economic ties," 19 July 2003; *Moscow Kommersant*; FBIS; accessed 14 May 2004.

of autonomy. He said that "objectively and responsibly, we can say today that with this [agreement] Montenegro has retained and affirmed all important rights for governing its own future."<sup>138</sup> Furthermore, it is important to note that Montenegro did not give *carte blanc* to the EU in setting the conditions for the new union with Serbia. Djukanovic was insistent that his citizens ultimately be afforded the opportunity to determine their future. If the EU had not specified a timeline allowing for a referendum to be held, Montenegro would not have signed the agreement.

Besides the European Union, there are other external actors which influenced Montenegro's behavior. In order to gain international acceptance, Montenegro had to closely cooperate with the ICTY. Additionally, with potential investment interests in Montenegro and the power of granting or withholding critical foreign aid, the United States also holds considerable influence in the international community. Thus far the US has been willing to defer to the European Union in matters concerning Montenegro and will almost certainly continue to do so in the future. Finally, while Russia may be seen as an alternative to the West, it has demonstrated little interest in the Union's affairs and, consequently, holds negligible influence over its behavior.

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<sup>138</sup> "Montenegrin president says accord with Serbia best possible at present."

## V. CONCLUSION

### A. SUMMARY OF RESEARCH FINDINGS

The Union of Serbia and Montenegro is a case of successful international intervention to prevent another possible Balkan war. Left to their own devices, Montenegro's leaders would have held an independence referendum most likely in the 1999-2000 timeframe. With Miloševic still in power, this could have resulted in bloodshed. In successfully negotiating a union of the two republics, the international community avoided the outbreak of hostilities within Montenegro as well as potentially in its neighboring states. However, the union of Serbia and Montenegro is virtually a misnomer as the only truly federal institutions are the Foreign Ministry and military.

In general, Montenegrin nationalism has not been a factor in the decision to separate or unify with Serbia. Ethnically, linguistically, and religiously, Serbia and Montenegro are quite similar, but certainly not identical. Each republic also has a distinct history which has not always been marked by cordial relations. Perhaps most importantly, the prominent leaders of Montenegro have not been prone to utilizing nationalism to further their goals. Yet, there are enough differences between the two republics that someone determined to stir up support for a "Montenegrin identity" could conceivably do so.

Another important factor in this case was that Montenegrins were able to satiate their material interests and still remain together with Serbia. Relying on an economy that survives on imports, low tariffs benefit all but a small minority of Montenegrins. Montenegro's

political leaders were able to maintain control over this policy independent of Serbia. Furthermore, Montenegro has assumed control of its borders, but has not demonstrated the will to curb the tide of smugglers and organized criminals transiting through the country. This indicates that these illegal groups are likely now paying off Montenegrin border officials rather than Yugoslav Army ones. Lastly, the current methods of privatization in Montenegro allow elites to receive all the potential benefits of the process without submitting themselves to higher echelon oversight. European Union officials or a strong federal government in Belgrade could have asserted themselves as a clearing house for privatization matters in the union thereby undercutting Montenegro's authority. Yet current trends in the relationship between the EU and Montenegro indicate that the former is willing to give much more autonomy to the later in return for continued union with Serbia. If the EU attempted to force the economies together in such a way that imposed a cost on the Montenegrin elite, the true extent of EU influence would have been brought to light.

At first sight, it appears that the international community overcame Montenegro's momentum towards independence and successfully negotiated a union with Serbia. While it is a fact that the endstate consisted of no independent Montenegro and, more importantly, no regional hostilities, external actors did not have to contend with two potentially divisive factors. First, the world did not have to convince nationalistic Montenegrins to halt their desire for a sovereign state. Second, the EU agreed to allow the two states to have

essentially independent economies without affecting their material interests. Consequently, there was no cost imposed on politicians or business leaders who had interests in being able to set or influence Montenegrin fiscal policies. Furthermore, Montenegro agreed to this union with the understanding that it could hold an independence referendum as early as February 2006. As that time draws nearer, the EU has made additional concessions which further loosened the already loose union. The United States has essentially backed the EU's work and has used its monetary strength to promote Montenegro's cooperation with the UN and ICTY. Finally, the Russian Federation has taken an approach resulting in a decline of its influence in the region and is not a factor in the independence question. In short, Montenegrins are willing to be joined with Serbia as long as the fire of nationalism does not flare up and the phantom union does not impinge on Montenegrin elites' material interests.

#### **B. IMPLICATIONS FOR THE FUTURE**

The failure of the international community to prevent the tragedies in Bosnia and Kosovo did not deter it from intervening in Montenegro. However, this is not to say that it has found the "silver bullet" for making all potentially sovereign states abandon their independence aims. As has been shown, the conditions in Montenegro were conducive to international negotiations. The scenario could have concluded much differently if the world had to force two (or more) entities together without leaving room for compromise.

The term "independence" has a different meaning when mentioned in the context of the Balkans. While the

anniversary of the United States' independence makes most Americans feel proud, Croatia and Bosnia's struggle for independence brings forth thoughts of mass suffering and shameful international indifference. The specter of the Yugoslav civil wars still weighs heavy on the minds of today's diplomats. For this reason, they react cautiously when minorities make statements concerning independence. The conditions surrounding independence in the Balkans today are much different than those of the early 1990's. Montenegro's future is intertwined with the question of minority rights in Kosovo, Macedonia, and Bosnia as their status poses the greatest threat to regional security. In confronting a situation similar to that in the Former Yugoslavia, international actors would be well-advised to consider what elements of nationalism are present and the presence of individuals willing to use them as well as whose material interests are affected by the continuance of union. This will allow the world to form the best course of action for that specific situation - to do otherwise could be disasterous.

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